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SOCIALISM

A SUMMARY AND INTERPRETATION OF
SOCIALIST PRINCIPLES

Jessie B. Peigotho
Aug. 1906.



SOCIALISM

A SUMMARY AND INTERPRETATION OF SOCIALIST PRINCIPLES

BY

JOHN SPARGO

AUTHOR OF "THE BITTER CRY OF THE CHILDREN,"
"THE SOCIALISTS, WHO THEY ARE AND
WHAT THEY STAND FOR," ETC.

New York

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To

GEORGE D. HERRON

*"With two forms and with two figures,
but with one soul, thou and I."*

JALALU-DDIN RUMI

PREFACE

Is an apology needed for adding to the number of books devoted to the exposition of modern Socialism? I hardly think so. If the reader will carefully examine the bibliographies, he will find that, with the exception of those books issued directly through the established agencies of the Socialist propaganda, there is hardly a single book devoted to the exposition of Socialism, wholly affirmative in tone and written frankly from the standpoint of a convinced Socialist. Hence, almost all the books on the subject issued through the ordinary channels are apologetic and lacking in conviction. Not only so, but they are generally unsatisfactory to the Socialist for the additional reason that their authors have failed to understand the spiritual, dynamic forces of the modern Socialist movement.

This little volume is wholly unpretentious in its aim. Its purpose is to state in popular language what Socialism really means and what it does not mean. It is intended to be an introduction merely to a great and profoundly impressive subject of growing international interest and importance. During many years spent in the propaganda of Socialism

in two continents, the need of such a volume has been deeply impressed upon my mind; hence this attempt to meet the necessity.

During twelve years spent in the earnest propaganda of Socialism by voice and pen, particularly as a lecturer to all classes of audiences in various lands, I have had exceptional opportunities for knowing the nature of the difficulties which most serious-minded, intelligent men and women encounter when they begin to consider Socialism. I have felt it incumbent upon me to face these difficulties with the utmost frankness and sincerity, and I have written this little volume in that spirit. I have tried to be as frank with the reader as I am with my own soul, realizing that

“Men in earnest have no time to waste
Patching fig leaves for the naked truth.”

The method of treating the subject, somewhat different from the methods commonly employed by Socialist writers, is a result of that same fund of experience. I have adopted the method of presentation which I have found to be most effective in my work as a lecturer. If the critical reader finds portions of the book somewhat discursive, owing to the weaving-in of much biographical matter relating to Owen, Marx, and others, I venture to hope that the gain in human interest will atone for an otherwise inexcusable failing. Be that how it may, I

purposely chose to write in the spirit of frank and earnest conversation, as friend to friend, rather than in the spirit and language of academic thought.

While in the main I believe that this statement of their principles will be acceptable to the vast majority of Socialists, in this country and abroad, it is only fair that I should warn the reader against holding the Socialist movement in general, and the Socialist party in particular, responsible for my personal views. Throughout the text I have tried to preserve a clear distinction between those views which are universally accepted by Socialists and those which are largely personal. In the chapter entitled *Outlines of the Socialist State*, I have tried to lay down certain fundamental principles which, it seems to me, must characterize the Socialist régime and which are involved in modern Socialism. I believe that, in the main, these principles will be accepted by the vast majority of my fellow-Socialists throughout the world, and that they will welcome most of all the effort made to show that the Socialist régime involves no rule by a great bureaucracy, no crushing out of individual liberties, none of that repression of genius which Herbert Spencer and others, down to the crude romancer of *The Scarlet Empire*, have imagined and decried. At the same time, I must accept personal responsibility for the attempt made in this chapter to state Socialism constructively without Utopian romanticism.

If this little book leads to a juster view of Socialism and the Socialist movement; if it succeeds in inducing men and women to study the subject with calm reason; if, finally, it results in enlightening the opponents of Socialism so that they abandon their quixotic tasks of tilting at windmills, attacking a Socialism which has no existence outside of their imaginations, to devote their efforts to serious and candid discussion of the issues involved, I shall be amply repaid for the labor of writing it.

JOHN SPARGO.

PROSPECT HOUSE, YONKERS, N.Y.,
May, 1906.

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SOCIALISM

**A SUMMARY AND INTERPRETATION OF
SOCIALIST PRINCIPLES**

SOCIALISM

CHAPTER I

INTRODUCTION

I

TIME was, and not so very long ago, when the kindest conception of Socialism held by the average man was that of the once familiar and cynical doggerel:—

“What is a Socialist? One who is willing
To give up his penny and pocket your shilling.”¹

There was another view, more brutally unkind, that of the blood-curdling cartoon representing the poor Socialist as a bomb-laden assassin. Both these views are now, happily, well-nigh extinct. Great as the ignorance of people concerning Socialism still is, we have progressed so far that neither of these puerile misrepresentations are commonly met with. It is true that in the newspapers Socialists are sometimes classed with Anarchists,—especially in times of public excitement against the Anarchists,—and that

¹ By Ebenezer Elliott, the “Corn-Law Rhymer.”

we are not infrequently asked about our supposed intentions of having a great general "dividing-up day" for the equal distribution of all the wealth of the nation. Still, it is the exception rather than the rule to encounter these criticisms, and they do not represent the attitude of the mass of people toward the Socialist movement.

The reason for the changed attitude of the public toward the Socialist movement and the Socialist ideal, will, I think, be found in the growth of the Socialist movement itself. There are many who would change the order of this proposition and say that the growth of the Socialist movement is a result of the changed attitude of the public mind toward it. In a sense, both views are right. Obviously, if the public mind had not revised its judgments somewhat, we should not have attained our present strength and development; but it is equally obvious that if we had not grown, if we had still remained the small and feeble body we once were, the public mind would not have revised its judgments much, if at all. We should still have been regarded as advocates of the

"Equal division of unequal earnings,"

ready to enforce our sordidly selfish demands by the assassin's cowardly weapons. It is easy to misrepresent and to vilify a small body of men and women when they possess no powerful influence.

But it is otherwise when that small body has grown into a great body with far-reaching influence. So long as the Socialist movement in America consisted of a few poor workingmen in two or three of the largest cities, most of them foreigners, it was very easy for the average man to accept the views expressed in the ferocious, blood-curdling cartoon and the sneering distich of the poet's satirical fancy. But when the movement grew, and, instead of a few helpless foreigners, embraced nearly half a million voters, in all parts of the United States, it became a different matter. It is manifestly impossible for a great world-wide movement, numbering its adherents by the million, and having for its advocates many of the foremost thinkers, artists, and poets of the world, to be based upon either sordid selfishness or murderous hate. If that were true, if it were possible for such a thing to be true, the most gloomy forbodings of the pessimist would fall far short of the real measure of Humanity's impending doom.

Still, the word "Socialism" is spoken by many with the pallid lips of fear, the scowl of hate, or the amused shrug of contempt; while in the same land, people of the same race, facing the same problems and perils, speak it with gladdened voices and hopeful eyes. Many a mother crooning over her babe prays that it may be saved from the Socialism to which another, with equal mother-love, looks as her

child's heritage and hope. And with scholars and statesmen it is much the same. With wonderful unanimity, agreeing that, in the words of Herbert Spencer, "Socialism will come inevitably in spite of all opposition," they yet differ quite as much in their estimates of its character and probable effects upon the race as the most unlearned. One welcomes and another fears; one envies the unborn generations, another pities. To one the coming of Socialism means the coming of Human Brotherhood, the long, long quest of Humanity's choicest spirits; while to another it means the enslavement of the world through fear.

Many years ago Mr. Herbert Spencer wrote an article on *The Coming Slavery*, the whole tone of which conveyed the impression that the great thinker saw what he thought to be signs of the inevitable triumph of Socialism. All over the world Socialists were cheered by this admission from their implacable enemy. In this connection the following incident is worth noticing: In October, 1905, a well-known Frenchman, M. G. Davenay, visited Mr. Spencer and had a long conversation with him on several subjects, among them, Socialism. A few days after his return, he received a letter on the subject from Mr. Spencer, written in French, which was published in the Paris *Figaro* a few days after Mr. Spencer's death, in December, 1905, two months or thereabouts

from the time of the interview which called it forth.¹ After some brief reference to his health, Mr. Spencer wrote: "The opinions I have delivered here before you, and which you have the liberty to publish, are briefly these: (1) Socialism will triumph inevitably, in spite of all opposition; (2) its establishment will be the greatest disaster which the world has ever known; (3) sooner or later, it will be brought to an end by a military despotism."

Anything more awful than this black pessimism which clouded the life of the great thinker, it would be difficult to imagine. After living his long life of splendid service in the interest of progress, and studying as few men have ever done the history of the race, he went down to his grave fully believing that the world was doomed to inevitable disaster. How different from the confidence of the poet,² foretelling —

"A wonderful day a-coming when all shall be better than well."

The last words of the great French Utopist, Saint-Simon, were, "The future is ours!" And thousands of times his words have been reëchoed by those who, believing equally with Herbert Spencer that Socialism must come, see in the prospect only the

¹ I quote the English translation from the *London Clarion*, December 18, 1905.

² William Morris.

fulfillment of the age-long dream of Human Brotherhood. Men as profound as Spencer, and as sincere, rejoice at the very thing which blanched his cheeks and filled his heart with fear.

There is, then, a widespread conviction that Socialism will come and, in coming, vitally affect for good or ill every life. Millions of earnest men and women have enlisted themselves beneath its banner in various lands, and their number is constantly growing. In this country, as in Europe, the growth of Socialism is one of the most evident facts of the age, and its study is therefore most important. What does it mean, and what does it promise or threaten, are questions which civic duty prompts. The day is not far distant when ignorance of Socialism will be regarded as a disgrace, and neglect of it a civic wrong. For no man can faithfully discharge the responsibilities of his citizenship until he is able to give an answer to these questions.

II

The word "Socialism" is admittedly one of the noblest and most inspiring words ever born of human speech. Whatever may be thought of the principles it represents, or of the political parties which contend for it, no one can dispute the beauty and moral grandeur of the word itself. Derived from

the Latin word *Socius*, meaning a comrade, it is, like the word "mother," for instance, one of those great universal speech symbols which find their way into every language. Signifying as it does faith in the comradeship of man as the proper basis of social life, prefiguring a social state in which there shall be no strife of man against man, or nation against nation, it is a verbal expression of man's loftiest aspirations crystallized into a single word. The old Hebrew Prophet's dream of a word-righteousness that shall give peace, when nations "shall beat their swords into plowshares, and their spears into pruninghooks,"¹ and the Angel-song of Peace and Goodwill in the legends of the Nativity, mean no more. Plato, spiritual son of Socrates who for truth's sake drained the hemlock cup to its dregs, dreamed of such social peace and unity, and the line of those whose eyes have seen the same glorious vision of a love-welded world has never been broken,—More and Campanella, Saint-Simon and Owen, Marx and Engels, Morris and Bellamy, and the end of the prophetic line is not yet.

But if the dream, the hope itself, is old, the word which expresses the hope is new. It is hard to realize that the word which means so much to countless millions of human beings, in every civilized country of the world, is no older than some of those whose

¹ Isaiah ii. 4.

lips speak it with reverence and hope. Because it will help us to a clearer understanding of modern Socialism, and because too it is little known, notwithstanding its intensely interesting character, let us linger awhile over that page of history which records the origin of this noble word.

Some years ago, anxious to settle, if possible, the vexed question of the origin and first use of the word "Socialism" I devoted a good deal of time to an investigation of the subject, spending much of it in a careful survey of all the early nineteenth-century radical literature. I early found that the generally accepted account of its introduction, by the French writer, L. Reybaud, in 1840, was wrong. Indeed, when once started on the investigation, it seemed rather surprising that the account should have been accepted, practically without challenge, for so long. Finally I concluded that an anonymous writer in an English paper was the first to use the word, the date being August 24, 1835.¹ Since that time an investigation of a commendably thorough nature has been made by three students of the University of Wisconsin,² with the result that they have been unable to find any earlier use of the word. It is somewhat disappointing that after thus tracing

¹ See *Socialism and Social Democracy*, by the present writer. *The Comrade*, Vol. II, No. 6, March, 1903.

² In *The International Socialist Review*, Vol. VI, No. 1, July, 1905.

the word back to what may well be its first appearance in print, it should be impossible to identify its creator.

The letter in which the term is first used is signed "A Socialist," and it is quite evident that the writer uses it as a synonym for the commonly used term "Owenite," by which the disciples of Robert Owen were known. I think it is most probable that Owen himself had used the word, and, to some extent, made it popular; and that the writer had heard "Our Dear Social Father," as Owen was called, use it, either in some of his speeches or in conversation. At any rate, one of Owen's associates, now dead, told me some years ago that Owen often specifically claimed to have used the word at least ten years before it was adopted by any other writer.

The word gradually became more familiar in England. Throughout the years 1835-1836, in the pages of Owen's paper, *The New Moral World*, there are many instances of the word occurring. The French writer, Reybaud, in his *Reformateurs Modernes*, published in 1840, made the term equally familiar to the reading public of Continental Europe. By him it was used to designate not merely Owen and his followers, but all social reformers and visionaries, — Saint-Simon, Charles Fourier, Louis Blanc, and others. By an easy transition, it soon came into general use as designating all altruistic visions,

theories, and experiments, from the *Republic* of Plato onward through the centuries.

In this way much confusion arose. The word became too indefinite and vague to be distinctive. It was applied indiscriminately to persons of widely differing, and often conflicting, views. Every one who complained of social inequalities, every dreamer of social Utopias, was called a Socialist. The enthusiastic Christian, pleading for a return to the faith and practices of primitive Christianity, and the aggressive Atheist, proclaiming religion to be the bulwark of the world's wrongs; the State-worshipper, who would extol Law, and spread the net of government over the whole of life, and the iconoclastic Anarchist, who would destroy all forms of social authority, have all alike been dubbed Socialists, by their friends no less than by their opponents.

The confusion thus introduced has had the effect of seriously complicating the study of Socialism from the historical point of view. Thus the Socialists of the present day, who do not advocate Communism, have always regarded as a classic presentation of their views, the famous pamphlet by Karl Marx and Friedrich Engels, the *Communist Manifesto*. They have circulated it by millions of copies in practically all the languages of the civilized world. Yet throughout it speaks of "Socialists" with ill-concealed disdain, and always in favor of Communism

and the Communist Party. The reason for this is clearly explained by Engels himself in the preface written by him for the English edition, but that has not sufficed to prevent misconception in many cases; nor has it prevented many an unscrupulous opponent of Socialism from quoting the *Communist Manifesto* of Marx and Engels against the Socialists of the Marx-Engels school.¹ In like manner, the utterances and ideas of many of those who formerly called themselves Socialists have been quoted against the modern Socialists, notwithstanding the fact that it was precisely on account of their desire to repudiate all connection with, and responsibility for, such ideas that the founders of the modern Socialist movement took the name Communists.

Nothing could well be clearer than the language in which Engels explains why the name Communist was chosen, and the name Socialist discarded. He says:² "Yet, when it (the *Manifesto*) was written, we could not have called it a Socialist Manifesto. By Socialists, in 1847, were understood, on the one hand, the adherents of the various Utopian systems: Owenites

¹ As an instance of this I note the following recent example: "No severer critic of Socialists ever lived than Karl Marx. No one more bitterly attacked them and their policy toward the trade unions, than he. . . . And yet Socialists regard him as their patron saint." Mr. Samuel Gompers, in *The American Federationist*, August, 1905.

² Preface to the *Communist Manifesto*, by F. Engels, Kerr edition, page 7.

in England, Fourierists in France, both of these already reduced to the position of mere sects, and gradually dying out; on the other hand, the most multifarious social quacks, who, by all manner of tinkering, professed to redress, without any danger to capital and profit, all sorts of social grievances, in both cases, men outside of the working-class movement, and looking rather to the 'educated' classes for support. Whatever portion of the working class had become convinced of the insufficiency of mere political revolutions, and had proclaimed the necessity of a total social change, that portion, then, called itself Communist. It was a crude, rough-hewn, purely instinctive sort of Communism; still, it touched the cardinal point and was powerful enough among the working class to produce the Utopian Communism in France of Cabet, and in Germany of Weitling. Thus Socialism was, in 1847, a middle-class movement; Communism, a working-class movement. Socialism was, on the Continent at least, 'respectable'; Communism was the very opposite. And as our notion, from the very beginning, was that the 'emancipation of the working class must be the act of the working class itself,' there could be no doubt as to which of the names we must take. Moreover, we have ever since been far from repudiating it."

There is still, unfortunately, much misuse of the

word "Socialist," even by accredited Socialist writers. For instance, writers like Tolstoy, Ibsen, Zola, and others, are constantly referred to as Socialists, when, as a matter of fact, they are nothing of the sort. Still, the word is now pretty generally understood as defined by the Socialists; not the "Socialists" of sixty years ago, who were mostly Communists, but of the present-day Socialists, whose principles find classic expression in the *Communist Manifesto*, and to the attainment of which their political programmes are directed.

CHAPTER II

ROBERT OWEN AND THE UTOPIAN SPIRIT

I

IN order that we may distinguish between modern or scientific Socialism and the Socialism of the Utopians, which the *Communist Manifesto* so severely criticised, it may perhaps be well to consider briefly Utopian Socialism at its best and nearest approach to the modern movement. Thus we shall get a clear vision of the point of departure which marked the rise of the later scientific movement, and, incidentally, of the good Robert Owen, whom Liebknecht has called, "By far the most embracing, penetrating, and practical of all the harbingers of scientific Socialism."

Friedrich Engels, a man not given to praising overmuch, has spoken of Owen with an enthusiasm which he rarely showed in his descriptions of men. He calls him, "A man of almost sublime and childlike simplicity of character," and declares, "Every social movement, every real advance in

England on behalf of the workers, links itself on to the name of Robert Owen.”¹ And even this high praise from the part-author of the *Communist Manifesto*, who for so many years was called the “Nestor of the Socialist Movement,” falls short, because it does not recognize the enormous influence of the man in the United States in the formative period of its history.

Robert Owen was born of humble parentage, in a little town in North Wales, on the fourteenth day of May, 1771. Perhaps it is well that he was born in such humble circumstances, and that his parents could not afford to gratify to the full the desire of his boyhood for education. The lad thirsted for knowledge, and wanted above all things a university education. Poverty kills its thousands, destroys hope, ambition, and courage in millions more. But sometimes it fails, and the soul it would have killed emerges from the struggle triumphant and strong. Such a soul had this poor Welsh country lad. His scanty schooling ended, and he set out to fight the battle of life for himself in London, when he was but ten years of age. When he was little more than seven years of age, so he tells us in his *Autobiography*, he had familiarized himself with Milton’s *Paradise Lost*. By the time he was ten years of

¹ *Socialism, Utopian and Scientific*, by F. Engels, London, 1892, pages 20-25.

age, like Olive Schreiner's boy Waldo in *The Story of an African Farm*, he had grappled with the ages-old problem of life, and become a skeptic! It is doubtful, however, if his "skepticism" really consisted of more than the consciousness that there were apparent contradictions in the Bible, a discovery which many a precocious lad has made at quite as early an age. Still, the incident is worthy of note as indicating the boy's inquiring spirit.

In London, the young lad was apprenticed to a draper named McGuffeg, who seems to have been a rather superior type of man. From a small peddling business he had built up one of the largest and wealthiest establishments in that part of London, catering to the wealthy and the titled nobility. Above all, McGuffeg was a man of books, and in his well-stocked library young Owen could read several hours each day, and thus make up in a measure for his early lack of educational opportunities. During the three years of his apprenticeship he read prodigiously, and laid the foundations of that literary culture which characterized his whole life and added tremendously to his power.

This is not in any sense of the word a biographical sketch of Robert Owen.¹ If it were, the story of the rise of this poor, strange, strong lad, from poverty

¹ For a good sketch of Robert Owen's life, see the Biography, by Lloyd Jones, in *The Social Science Series*, London, 1890.

J. Allen Smith. Robert Owen

to the very pinnacle of commercial power and fame, as one of the leading manufacturers of his day, would lead through pathways of romance as wonderful as any in our biographical literature. We are concerned, however, only with his career as a social reformer and the forces which molded it. And that, too, has its romantic side.

II

The closing years of the eighteenth century marked the beginning of a great and far-reaching industrial revolution. The introduction of new mechanical inventions enormously increased the productive powers of England. In 1770 Hargreaves patented his "spinning jenny," and in the following year Arkwright invented his "water frame," a patent spinning machine which derived its name from the fact that it was worked by water power. Later, in 1779, Crompton invented the "mule," which was really a combination of the principles of both machines. This was a long step forward, and greatly facilitated the spinning of the raw material into yarn. The invention was, in fact, a revolution in itself. Like so many other great inventors, Crompton died in poverty.

Even now, however, the actual weaving of the spun yarn had to be done by hand. Not until 1785, when Dr. Cartwright, a parson, invented a "power-loom,"

was it deemed possible to weave by machinery. Cartwright's invention, coming in the same year as the general introduction of Watt's steam engine in the cotton industry, made the industrial revolution. Had the revolution come slowly, had the inventors of the new industrial processes been able to accomplish that, it is most probable that much of the misery of the period would have been avoided. As it was, terrible poverty and hardship attended the birth of the new industrial order. Owing to the expense of introducing the machines, and the impossibility of competing with them by the old methods of production, the small manufacturers themselves were forced to the wall, and their misery, forcing them to become wage-workers in competition with other already far too numerous wage-workers, added greatly to the woe of the time. William Morris's fine lines, written a hundred years later, express vividly what many a manufacturer must have felt at that time:—

“Fast and faster our iron master,
The thing we made, forever drives.”

But perhaps the worst of all the results of the new régime was the destruction of the personal relations which had hitherto existed between the employers and their employees. No attention was paid to the interests of the latter. The personal relation was forever gone, and only a hard, cold cash nexus remained. Wages went down at an alarm-

ing rate, as might be expected; the housing conditions became simply inhuman. Now it was discovered that a child at one of the new looms could do more than a dozen men had done under the old conditions, and a tremendous demand for child workers was the result. At first, as H. de B. Gibbins¹ tells us, there was a strong repugnance on the part of parents to sending their children into the factories. It was, in fact, considered a disgrace to do so. The term "factory girl" was an insulting epithet, and it was impossible for a girl who had been employed in a factory to obtain other employment. She could not look forward to marriage with any but the very lowest of men, so degrading was factory employment considered to be. But the manufacturers had to get children somehow, and they got them. They got them from the workhouses. Pretending that they were going to apprentice them to a trade, they communicated with the overseers of the poor, who arranged a day for the inspection of the children to suit the convenience of the manufacturer. Those chosen were then conveyed to their destination, packed in wagons or canal boats, and from that moment were doomed to the most awful form of slavery.

"Sometimes regular traffickers would take the

¹ *The Industrial History of England*, by H. de B. Gibbins, London, Methuen and Co.

place of the manufacturer," says Gibbins,¹ "and transfer a number of children to a factory district, and there keep them, generally in some dark cellar, till they could hand them over to a mill owner in want of hands, who would come and examine their height, strength, and bodily capacities, exactly as did the slave owners in the American markets. After that the children were simply at the mercy of their owners, nominally as apprentices, but in reality as mere slaves, who got no wages, and whom it was not worth while even to feed and clothe properly, because they were so cheap, and their places could be so easily supplied. It was often arranged by the parish authorities, in order to get rid of imbeciles, that one idiot should be taken by the mill owner with every twenty sane children. The fate of these unhappy idiots was even worse than that of the others. The secret of their final end has never been disclosed, but we can form some idea of their awful sufferings from the hardships of the other victims to capitalist greed and cruelty. The hours of their labor were only limited by exhaustion, after many modes of torture had been unavailingly applied to force continued work. Children were often worked sixteen hours a day, by day and by night."

Terrible as this summary is, it does not equal in

¹ *Industrial History of England*, page 179.

horror the account given by "Alfred,"¹ in his *History of the Factory System*. "In stench, in heated rooms, amid the constant whirl of a thousand wheels, little fingers and little feet were kept in ceaseless action, forced into unnatural activity by blows from the heavy hands and feet of the merciless overlooker, and the infliction of bodily pain by instruments of punishment invented by the sharpened ingenuity of insatiable selfishness." The children were fed upon the cheapest and coarsest food, often the same as that served to their masters' pigs. They slept by turns, and in relays, in filthy beds which were never cool. There was often no discrimination between the sexes, and disease, misery, and vice flourished. Some of these miserable creatures would try to run away, and to prevent them, those suspected had irons riveted on their ankles, with long links reaching up to the hips, and were compelled to sleep and work with them on, young women and girls, as well as boys, suffering this brutal treatment. The number of deaths was so great that they were buried secretly at night, lest an outcry should be raised; and many committed suicide.

These statements are so appalling that, as Mr. R. W. Cooke-Taylor says,² they would be "absolutely

¹ This anonymous historian is now known to have been Mr. Samuel Kydd, barrister-at-law (*vide* Cooke-Taylor).

² *The Factory System and the Factory Acts*, by R. W. Cooke-Taylor, London, 1894.

incredible were they not fully borne out by evidence from other sources." It is not contended, of course, that the conditions in all factories were as bad as those described. But it must be said emphatically that there were worse horrors than any here quoted, and equally emphatically that the very best factories were only a little better than those described. Take, for instance, the account given by Robert Owen of the conditions which prevailed in the "model factory" of the time, the establishment at New Lanark, Scotland, owned by Mr. David Dale, where Owen himself was destined to introduce so many striking reforms. Owen assumed control of the New Lanark mills on the first day of the year 1800. In his *Autobiography*,¹ he gives some account of the conditions which he found there, in the "best-regulated factory in the world," at that time. There were, says Owen, about five hundred children employed, who "were received as early as six years old, the pauper authorities declining to send them at any later age." They worked from six in the morning till seven in the evening, and *then their education began*. They hated their slavery, and many absconded. Many were dwarfed and stunted in stature, and when they were through their "apprenticeship," at thirteen or fifteen

¹ In two volumes: London, Effingham Wilson, 1857 and 1858. Vol. I contains the Life; Vol. II is a Supplementary Appendix, and contains Reports, Addresses, etc. Quotations are from Vol. I.

years of age, they commonly went off to Glasgow or Edinburgh, with no guardians, ignorant and ready — “admirably suited,” is Owen’s phrase — to swell the great mass of vice and misery in the towns. The people in New Lanark lived “almost without control, in habits of vice, idleness, poverty, debt, and destitution. Thieving was general.” With such conditions existing in a model factory, under a master whose benevolence was celebrated everywhere, it can be very readily believed that conditions elsewhere must have been abominable.

As a result of the appalling poverty which developed, it soon became necessary for poor parents to permit their children to go into the factories. The mighty machines were far too powerful for the prejudices of parental hearts. Child wage-workers became common. They were subjected to little better conditions than the “parish apprentices” had been; in fact they were often employed alongside of them. Fathers were unemployed, and frequently took meals to their little ones who were at work — a not unusual thing even in the United States at the present time. Michael Sadler, a Member of the British House of Commons and a fearless champion of the rights of the poor and oppressed, has described this aspect of the Child Labor evil in touching verse. The poem is too long to quote entire, so I give only three stanzas:—

“‘Father, I’m up, but weary,
I scarce can reach the door,
And long the way and dreary —
Oh, carry me once more!
To help us we’ve no mother,
And you have no employ,
They killed my little brother —
Like him I’ll work and die.’

“Her wasted form seemed nothing —
The load was at his heart,
The sufferer he kept soothing
Till at the mill they part.
The overlooker met her,
As to her frame she crept,
And with his thong he beat her
And cursed her as she wept.

“All night with tortured feeling,
He watched his speechless child,
While, close beside her kneeling,
She knew him not nor smiled.
Again the factory’s ringing
Her last perceptions tried,
When, from her straw bed springing,
“‘Tis time!’ she shrieked, and died!”¹

During all this time, let it be remembered, the English philanthropists, and among them many capitalists, were agitating against negro slavery in Africa and elsewhere, and raising funds for the slaves’ emancipation. Says Gibbins,² “The spectacle of

¹ The poem is given in its entirety by Mr. H. S. Salt, in *Songs of Freedom*, pages 81–83.

² *Industrial History of England*, page 181.

England buying the freedom of black slaves by riches drawn from the labor of her white ones affords an interesting study for the cynical philosopher."

As we read the accounts of the distress which followed upon the introduction of the new mechanical inventions, it is impossible to regard with surprise, or with condemnatory feelings, the riots of the desperate "Luddites," who went about destroying machinery in their blind desperation. Ned Lud, after whom the Luddites are said to have been named, was an idiot, it is said; but wiser men, finding themselves reduced to abject poverty through the introduction of the giant machines, could see no further than he. Was it to be expected that they should understand that it was not the machines, but the institution of their private ownership, and use for private gain, that was wrong? The Luddites were not, as some writers seem to infer, the first to make war upon machinery. In 1758, for example, Everet's first machine for dressing wool, an ingenious contrivance worked by water power, was set upon by a mob and reduced to ashes. From that time on similar outbreaks occurred with more or less frequency; but it was not until 1810 that the organized bodies of Luddites went from town to town, sacking factories and destroying the machines in their half-blind revolt.

The contest between the capitalist and the wage-

worker, which, as Karl Marx says, dates back to the very origin of capital, took a new form when machinery was first introduced. Henceforth, the worker fights not only, nor indeed mainly, against the capitalist, but against the machine, as the material basis of capitalist exploitation. In the sixteenth century, the ribbon loom, a machine for weaving ribbons, was invented in Germany. Marx quotes an Italian traveler, Abbé Lancellotti, who wrote in 1579 as follows: "Anthony Müller, of Danzig, saw about fifty years ago, in that town, a very ingenious machine, which weaves four to six pieces at once. But the mayor, being apprehensive that this invention might throw a large number of workmen on the streets, caused the inventor to be secretly strangled or drowned."¹ In 1629 this ribbon loom was introduced into Leyden, where the riots of the ribbon weavers forced the town council to prohibit it. In 1676 its use was prohibited in Cologne, at the same time that its introduction was causing serious disturbances in England. "By an imperial Edict of the 19th of February, 1685, its use was forbidden throughout all Germany. In Hamburg it was burned in public, by order of the Senate. The Emperor Charles VI, on the 9th of February, 1719, renewed the Edict of 1685, and not till 1765 was its use openly allowed in the Electorate of Saxony. This machine, which

¹ *Capital*, by Karl Marx, London, 1891, page 427.

shook all Europe to its foundations, was in fact the precursor of the mule and power loom, and of the industrial revolution of the eighteenth century. It enabled a totally inexperienced boy to set the whole loom, with all its shuttles, in motion, by simply moving a rod backward and forward, and in its improved form produced from forty to fifty pieces at once.”¹

Much denunciation has been poured upon the blind, stupid revolt of the workers against the machines, but in view of the misery and poverty which they suffered, it is impossible not to sympathize with them. As Marx justly says, “It took both time and experience before the work people learned to distinguish between machinery and its employment by capital, and to direct their attacks, not against the material instruments of production, but against the mode in which they are used.”²

III

Under the new industrial régime, Robert Owen, the erstwhile poor draper’s apprentice, soon became one of the most successful manufacturers in England. At eighteen years of age we find him entering into the manufacture of the new cotton spinning machines, with a borrowed capital of \$500. His partner was a

¹ *Capital*, page 428.

² *Idem*, page 429.

man named Jones, and, though the enterprise proved successful from a financial point of view, the partnership proved to be most disagreeable. Accordingly it was dissolved, Owen taking three of the "mules" which they were making as a reimbursement for his investment. With these and some other machinery, Owen entered into the cotton manufacturing industry, employing at first only three men, and made \$1500 as his first year's profit.

Erelong Owen ceased manufacturing upon his own account, and became superintendent of a Manchester cotton mill, owned by a Mr. Drinkwater, and employing some five hundred work people. He was a most progressive man, always ready to introduce new machinery, and to embark upon new experiments, with a view to improving the quality of the product.¹ In this he was so successful that the goods manufactured at the Drinkwater mill soon commanded a fifty per cent advance above the regular market prices. Drinkwater, delighted at results like these, made Owen his partner. Thus when he was barely twenty years of age, Owen had secured an eminent position among the cotton manufacturers of his

¹ For instance, he so improved the machinery and increased the fineness of the threads that, instead of spinning seventy-five thousand yards of yarn to the pound of cotton, he spun two hundred and fifty thousand! At that time a pound of cotton, which in its raw state was worth \$1.25, became worth \$50 when spun. — *Life of Robert Owen*, Philadelphia, 1866. — *Anonymous*.

time. It is interesting to recall that in the same year, 1791, Owen used the first cotton ever brought into England from the United States. "American Sea Island cotton," as it was called, from the fact that it was then grown only upon the islands near the southern coast of the United States, was not believed to be of any value for manufacture, on account, chiefly, of its poor color. But when a cotton broker named Spear received three hundred pounds of it from an American planter, with the request that he would get some competent spinner to test it, he applied to Owen, who, with characteristic readiness, undertook the test, and succeeded in making a much finer product than had hitherto been made from the French cotton, though inferior to it in color. That was the first introduction of American cotton, destined soon to furnish English cotton mills with the greater part of their raw material.

Owen did not long remain with Mr. Drinkwater. He accepted another profitable partnership in Manchester, and it was at this time that he became active in social reform work. As a member of an important literary and philosophical society, he was thrown much into the company of men distinguished in all walks of life, and here he began that agitation which led to the passing of the very first factory act of Sir Robert Peel, in 1802. The suffering of the children moved his great humane heart to boundless

pity. He well knew that his own wealth and the wealth of his fellows had been purchased at a terrible cost in child life. He was only a philanthropist as yet; he saw only the pitiful waste of life involved, and sought to impress men of wealth with what he felt.

On the first day of the nineteenth century, Owen began his wonderful New Lanark career, which attracted universal attention, and was destined to lead him to those social innovations which won for him the title of "Father of Modern Socialism." We have already seen what the conditions were in the "model factory" when Owen assumed control. Here all his influence was directed to the task of ameliorating the condition of his employees. He shortened the hours of labor, introduced sanitary reforms, protected the work people against the exploitation of traders through the vicious credit system by opening a store and supplying them with goods at cost, and established infant schools, the first of their kind, for the care and education of children from two years of age upward. Still, the workers themselves were suspicious of this man who, so different from other employers, was zealous in doing things for them. He really knew nothing of the working class, and it never had occurred to him that they might do anything for themselves. New Lanark under Owen was, to use the phrase

which Mr. Ghent has adopted from Fourier, "a benevolent feudalism." Owen complains pathetically, "Yet the work people were systematically opposed to every change which I proposed, and did whatever they could to frustrate my object."¹

But a time came when Owen had the necessary opportunity to win their affection — and he embraced it. In 1806 the United States, in consequence of a diplomatic rupture with England, placed an embargo upon the shipment of raw cotton to that country. Everywhere mills were shut down, and there was the utmost distress in consequence. The New Lanark mills, in common with most others, were shut down for four months, during which time Owen paid every worker his or her wages in full, at a cost of over \$35,000. Forever afterward he enjoyed the love and trust of his work people. In spite of all this expenditure upon purely philanthropic work, the mills yielded an enormous profit. But Owen was constantly in conflict with his partners, who sought to restrict him in his efforts, with the result that he was compelled again and again to change partners, always securing their interests and returning them big profits upon their investments, until finally, in 1829, he left New Lanark altogether. During twenty-nine years he had carried on the business with splendid commercial success and at

¹ *Autobiography.*

the same time attracted universal attention to it as the theater of the greatest experiments in social regeneration the world had ever known. Every year thousands of persons from all parts of the world, many of them statesmen and representatives of the crowned heads of Europe, visited New Lanark to study those experiments, and never were they seriously criticised or their success challenged. Had Owen's life ended here, he must have taken rank in history as one of the truly great men of the nineteenth century.

IV

Let us now consider briefly the forces which led this gentle philanthropist onward to the goal of Communism. In the first place, his experiences at New Lanark had convinced him that human character depends in large part upon, and is shaped by, environment. Others before Owen had perceived this, but he must ever be regarded as one of the pioneers of the idea, among the first to give it definite form and to demonstrate its truth. In the first of those wonderful *Essays on the Formation of Human Character*, in which Owen recounts the results of his New Lanark system of education, he says, "Any general character from the best to the worst, from the most ignorant to the most enlightened, may be given to any community, even to the world at large, by the ap-

plication of proper means; which means are to a great extent at the command and under the control of those who have influence in the affairs of men." To-day this doctrine does not seem to us sensational or strange; it might be promulgated in any one of our fashionable churches, without exciting more than a languid passing interest. But in Owen's time it was quite otherwise. Such a doctrine struck at the very roots of all that the church stood for, and brought much bitter denunciation upon the heads of its promulgators. A poet of the period, in a poem dedicated to Owen, aptly expresses the doctrine:—

"We are the creatures of external things,
Acting on inward organs, and are made
To think and do whate'er our tutors please.
What folly, then, to punish or reward
For deeds o'er which we never held a curb!
What woeful ignorance, to teach the crime
And then chastise the pupil for his guilt!"¹

Owen had realized other things at New Lanark besides the profound truth that man's character is formed largely by his environment. Starting out with no other purpose than to ameliorate the conditions of his work people, he came, at last, to recognize that he could never do for them the essential thing,—secure their real liberty. "The people were

¹ *The Force of Circumstances*, a poem, by John Garwood, Birmingham, 1808.

slaves of my mercy,"¹ he writes. He saw, though but dimly at first, that no man could be free who depended upon another for the right to earn his bread, no matter how good the bread master might be. The hopelessness of expecting reform from the manufacturers themselves was borne upon his mind in many ways. First of all, there was the incessant conflict with his associates, who, while representing the noblest and best elements of the manufacturing class, still failed to comprehend the spirit of all Owen's work, his profound belief in the inherent right of every child to the opportunities of sound physical, mental, and moral culture. Then there was the bitter hostility of those of his class who had no sympathy whatever with him.

The Luddite riots of 1810-1811 awakened England to the importance of the labor question, and Owen, who since 1805 had been devoting much time to its study, secured a much wider audience, and a much more serious hearing than ever before. Then came the frightful misery of 1815, due to the crisis which the end of the great war produced. Everyone seemed to think that when the war was over and peace was restored, there would be a tremendous increase in prosperity. What happened was precisely the opposite; for a time at least things were

¹ Quoted by F. Engels, *Socialism, Utopian and Scientific*, page 22 (English edition, 1892).

immeasurably worse than before. Owen, more clearly than any other man of the time, explained the real nature of the crisis. The war had given an important spur to industry and encouraged many new inventions and chemical discoveries. "The war was the great and most extravagant customer of farmers, manufacturers, and other producers of wealth, and many during this period became very wealthy. . . . And on the day on which peace was signed, the great customer of the producers died, and prices fell as the demand diminished, until the prime cost of the articles required for war could not be obtained. . . . Barns and farmyards were full, warehouses loaded, and such was our artificial state of society that this very superabundance of wealth was the sole cause of the existing distress. *Burn the stock in the farmyards and warehouses, and prosperity would immediately recommence, in the same manner as if the war had continued.* This want of demand at remunerating prices compelled the master producers to consider what they could do to diminish the amount of their productions and the cost of producing until these surplus stocks could be taken out of the market. To effect these results, every economy in producing was resorted to, and men being more expensive machines for producing than mechanical and chemical inventions and discoveries so extensively brought into action during the war, the

men were discharged and the machines were made to supersede them — while the numbers of the unemployed were increased by the discharge of men from the army and navy. Hence the great distress for want of work among all classes whose labor was so much in demand while the war continued. This increase of mechanical and chemical power was continually diminishing the demand for, and value of, manual labor, and would continue to do so, and would effect great changes throughout society.”¹

In this statement there are several points worthy of attention. In the first place, the analysis of the crisis of 1815 is very like the later analyses of commercial crises of the Marxists; secondly, the antagonism of class interests is clearly developed, as far as the basic interests of the employers and their employees are concerned. The former, in order to conserve their interests, have to dismiss the workers, thus forcing them into direst poverty; thirdly, the conflict between manual and machine labor is frankly stated. Owen's studies were leading him from mere philanthropism to Socialism.

During the height of the distress of 1815, Owen called together a large number of cotton manufacturers at a conference, which was held in Glasgow, to consider the state of the cotton trade and the pre-

¹ Quoted by H. M. Hyndman, *The Economics of Socialism*, page 150.

vailing distress. He proposed, (1) that they should petition parliament for the repeal of the revenue tariff on raw cotton; (2) that they should call upon parliament to shorten the hours of labor in the cotton mills by legislative enactment, and otherwise seek to improve the condition of the working people. The first proposition was carried with unanimity, but the second, and to Owen the most important, did not even secure a seconder.¹ The spirit in which he faced the manufacturers is best seen in the following extract from the address delivered by him at this conference, with copies of which he afterward literally deluged the kingdom:—

“True, indeed, it is that the main pillar and prop of the political greatness and prosperity of our country is a manufacture which, as now carried on, is destructive of the health, morals, and social comfort of the mass of people engaged in it. It is only since the introduction of the cotton trade that children, at an age before they had acquired strength or mental instruction, have been forced into cotton mills,—those receptacles, in too many instances, for living, human skeletons, almost disrobed of intellect, where as the business is often now conducted, they linger out a few years of miserable existence, acquiring every bad habit which they may disseminate through-

¹ *The New Harmony Communities*, by George Browning Lockwood (1902), page 71.

out society. It is only since the introduction of this trade that children and even grown people were required to labor more than twelve hours in a day, not including the time allotted for meals. It is only since the introduction of this trade that the sole recreation of the laborer is to be found in the pot-house or ginshop, and it is only since the introduction of this baneful trade that poverty, crime, and misery have made rapid and fearful strides throughout the community.

“Shall we then go unblushingly, and ask the legislators of our country to pass legislative acts to sanction and increase this trade—to sign the death warrants of the strength, morals, and happiness of thousands of our fellow-creatures, and not attempt to propose corrections for the evils which it creates? If such shall be your determination, I, for one, will not join in the application, — no, I will, with all the faculties I possess, oppose every attempt made to extend the trade that, except in name, is more injurious to those employed in it than is the slavery in the West Indies to the poor negroes; for deeply as I am interested in the cotton manufacture, highly as I value the extended political power of my country, yet knowing as I do, from long experience both here and in England, the miseries which this trade, as it is now conducted, inflicts on those to whom it gives employment, I do not hesitate to say: *Perish the*

*cotton trade, perish even the political superiority of our country, if it depends on the cotton trade, rather than that they shall be upheld by the sacrifice of everything valuable in life."*¹

This conference had undoubtedly much to do with Owen's subsequent acceptance of the Socialist ideal, and it is probable, as one of his biographers has hinted, that the change of the approbation of the governing class to reprobation really dates from that outspoken attack upon the economic interests of the growing manufacturing industry rather than from the fierce onslaught upon religion, or, more correctly, religious hypocrisy, in the following year. Be that how it may, the fact is that by 1815 Owen was pretty much of a Socialist, though he did not declare himself one until some years later.

In 1817 he proposed to the government the establishment of communistic villages, as the best means of remedying the terrible distress which prevailed at that time. Henceforth, Owen is the apostle of Communism, or as he later preferred to say, Socialism. His ideal is a coöperative world, with perfect equality between the sexes. He had so completely demonstrated to his own mind that private property was incompatible with social well-being, every month of his experience at New Lanark had so deeply

¹ Quoted by Lockwood, *The New Harmony Communities*, pages 71-72.

impressed him with the conviction that to make it possible for all men to live equally happy and moral lives they must have equal material resources and conditions of life, that he could not understand why it had never occurred to others before him. He regarded himself as one inspired, or as an inventor of a new system, and believed that it was only necessary for him to demonstrate the truth of his contentions, argumentatively and in practice, to convert the world. He conducted a tremendous propaganda, by means of newspapers, pamphlets, lectures, and debates, and above all, established various communities in this country¹ and in England. With sublime faith and unbounded courage, he kept on in the face of bitter opposition and repeated failure. And to this day, the story of the New Harmony experiment, despite the fact that it was short-lived, and that it failed, is full of inspiration for him who would give his life to the redemption of the world from the cruel grasp of private greed.

Owen's communities failed, and the world has long since written the word "Failure" against his name. But what a splendid failure it was! Standing by his grave one day, in the picturesque little churchyard at Newton, by a bend of the winding river, not far from the ruins of the ancient castle home

¹ For a good account of these communities, see Lockwood's book, *The New Harmony Communities*, already quoted.

of the famous deist, Lord Herbert, I said to an old Welsh laborer, "But his life was a failure, was it not?" The old man gazed awhile at the grave, and then with a voice of reverence and love, replied, "I suppose it was, sir, as the world goes; a failure like Jesus Christ's. But I don't call it failure, sir. He established infant schools; he founded the great Coöperative movement; he helped to make the trade unions;¹ he worked for peace between two great countries. His Socialism has not been realized yet, nor yet has Christ's — but it will come!" As I turned and clasped the old man's hand, the sun emerged from the clouds and bathed the grave with glory.

V

Owen was not the only builder of Utopias in his time. In the same year that Owen launched his New Harmony experiment, there died in Paris another dreamer of social Utopias, a gentle mystic, Henry de Saint-Simon, and in 1837, the year of Owen's third Socialist congress, another great Utopist died in the French capital, Charles Fourier. Each of these contributed something to the development of the theories of Socialism, each has a legitimate place in the history

¹ Owen presided at the first organized Trade Union Congress in England.

of the Socialist movement. But this little work is not intended to give the history of Socialism.¹ I have taken one only of the three great Utopists, as representative of them all: one who seems to me to be much nearer to the later scientific movement pioneered by Marx and Engels than any of the others. In the Socialism of Owen, we have Utopian Socialism at its best.

What distinguishes the Utopists from their scientific followers has been clearly stated by Engels in the following luminous passage: "One thing is common to all three. Not one of them appears as a representative of the interests of that proletariat which historical development had . . . produced. Like the French philosophers,² they do not claim to emancipate a particular class to begin with, but all humanity at once. Like them, they wish to bring in the kingdom of reason and eternal justice, but this kingdom, as they see it, is as far as heaven from earth from that of the French philosophers.

"For, to our three social reformers, the bourgeois world, based upon the principles of these philosophers, is quite as irrational and unjust, and, therefore, finds its way to the dust hole quite as readily, as feudalism and all the earlier stages of society. If pure reason and justice had not, hitherto, ruled the world, this

¹ For the history of these and other Utopian Socialisms, see Professor Ely's *French and German Socialism* (1883); also M. Hillquit's *History of Socialism in the United States* (1903).

² The Encyclopædists.

has been the case only because men have not rightly understood them. What was wanted was the individual man of genius, who has now arisen and who understands the truth. That he has now arisen, that the truth has now been clearly understood, is not an inevitable event, following of necessity in the chain of historical development, but a mere happy accident. He might just as well have been born five hundred years earlier, and might then have spared humanity five hundred years of error, strife, and suffering.”¹

Neither of these great Utopists had anything like the conception of social evolution determined by economic conditions and the resulting conflicts of economic classes which constitutes the base of the philosophy of the scientific Socialists. Each of them had some faint comprehension of isolated facts, but neither of them developed his knowledge very far, nor could these facts appear to them as correlated by Marx. Saint-Simon, as we know, recognized the class struggle in the French Revolution, and saw in the Reign of Terror only the reign of the non-possessing masses;² he saw, too, that the political question was fundamentally an economic question, declaring that politics is the science of production, and prophesying that politics would become absorbed by economics.³

¹ Engels, *Socialism, Utopian and Scientific*, pages 6-7.

² *Idem*, page 15.

³ *Idem*.

Fourier, we also know, applied the principle of evolution to society. He divided the history of society into four great epochs — savagery, barbarism, the patriarchate, and civilization.¹ But just as Saint-Simon failed to grasp the significance of the class conflict and its relation to the fundamental character of economic institutions which he dimly realized, so Fourier failed to grasp the significance of the evolutionary process which he described, and, like Saint-Simon, he halted upon the brink, so to speak, of an important discovery. His concept of social evolution meant little or nothing to him, and possessed little more than an academic interest. And the other great Utopist, Owen, realized in a practical manner that the industrial problem was a class conflict. Not only had he found in 1815² that pity was powerless to move the hearts of his fellow-manufacturers when their class interests were concerned, but later, in 1818, when he went to present his famous memorial to the Congress of Sovereigns at Aix-la-Chapelle, he had another lesson of the same kind. At Frankfort, Germany, he tarried on his way to the Congress, and was invited to attend a great dinner to meet the Secretary of the Congress, M. Gentz, a famous diplomat in his day, “who enjoyed the full confidence of the leading despots of Europe.” After Owen had out-

¹ Engels, *Socialism, Utopian and Scientific*, page 18.

² See page 37.

lined his schemes for social amelioration, M. Gentz was asked for his reply, and Owen tells us that the diplomat replied, "We know very well that what you say is true, but how could we govern the masses, if they were wealthy, and so, independent of us?"¹ Lord Lauderdale, too, had exclaimed, "Nothing [*i.e.* than Owen's plans] could be more complete for the poor and working classes, *but what will become of us?*"² Scattered throughout his writings and speeches are numerous evidences of the fact that Owen at times recognized the class antagonisms in the industrial problem,³ but to him also the germ of a profound truth meant nothing. He saw only an isolated fact, and made no attempt to discover its meaning or to relate it to his teaching.

Each of the three men regarded himself as the discoverer of the truth which should redeem the world; each devoted himself with magnificent faith and heroic courage to his task; each failed to realize his hopes; and each left behind him faithful disciples and followers, confident that the day must come at last when the suffering and disinherited of earth will be able to say, in Owen's dying words:—

"Relief has come."

¹ *Autobiography*.

² *Idem*.

³ See, for instance, *The Revolution in Mind and Practice*, by Robert Owen, pages 21-22.

CHAPTER III

THE "COMMUNIST MANIFESTO" AND THE SCIENTIFIC SPIRIT

I

THE *Communist Manifesto* has been called the birth cry of the modern scientific Socialist movement. When it was written, at the beginning of 1848, little remained of those great social movements which in the early part of the century had inspired the world with high hopes of social regeneration and rekindled the beacon fires of faith in the world. The Saint-Simonians had, as an organized body, disappeared; the Fourierists were a dwindling sect, discouraged by the failure of the one great trial of their system, the famous Brook Farm experiment in the United States; the Owenite movement had never recovered from the failures of the experiments at New Harmony and elsewhere, and had lost much of its identity through the multiplicity of interests embraced in Owen's propaganda. Chartism and Trades

Unionism on the one hand, and the Coöperative Societies on the other, had, between them, absorbed most of the vital elements of the Owenite movement.

There was a multitude of what Engels calls "social quacks," but the really great social movements, Owenism in England, and Fourierism in France, were utterly demoralized and rapidly dwindling away. One thing only served to keep the flame of hope alive — "the crude, rough-hewn, purely instinctive sort of Communism" of the workers. This Communism of the working class differed in its essential features from the Socialism of Fourierism and Owenism. It was based upon the "rights of labor," and its appeal was, primarily, to the laborer. Its exponents were Wilhelm Weitling in Germany, and Étienne Cabet in France.

Weitling was a man of the people. He was born in Magdeburg, Germany, in 1808, the illegitimate child of a humble woman and her soldier lover. He became a tailor, and, as was the custom in Germany at that time, traveled extensively during his apprenticeship. In 1838 his first important work, *The World as it Is, and as it Might Be*, appeared, published in Paris by a secret revolutionary society consisting mainly of German workingmen of the "Young Germany" movement. In this work, Weitling first expounded at length his communistic theories. It

is claimed¹ that his conversion to Communism was the result of the chance placing of a Fourierist paper upon the table of a Berlin coffeehouse, by Albert Brisbane, the brilliant American friend and disciple of Fourier, his first exponent in the English language. This may well be true, for, as we shall see, Weitling's views are mainly based upon those of the great French Utopist. In 1842 Weitling published his best-known work, the book upon which his literary fame chiefly rests, *The Guaranties of Harmony and Freedom*. This work at once attracted wide attention, and gave Weitling a foremost place among the writers of the time in the affections of the educated workers. It was an elaboration of the theories contained in his earlier book. Morris Hillquit² thus describes Weitling's philosophy and method:—

“In his social philosophy, Weitling may be said to have been the connecting link between primitive and modern Socialism. In the main, he is still a Utopian, and his writings betray the unmistakable influence of the early French Socialists. In common with all Utopians, he bases his philosophy exclusively upon moral grounds. Misery and poverty are to him but the results of human malice, and his cry is for ‘eternal

¹ Cf. *Social Democracy Red Book*, edited by Frederic Heath (1900), page 79.

² *History of Socialism in the United States*, by Morris Hillquit, pages 161-162.

justice' and for the 'absolute liberty and equality of all mankind.' In his criticism of the existing order, he leans closely on Fourier, from whom he also borrowed the division of labor into three classes of the Necessary, Useful, and Attractive, and the plan of organization of 'attractive industry.'

"His ideal of the future state of society reminds us of the Saint-Simonian government of scientists. The administration of affairs of the entire globe is to be in the hands of the three greatest authorities on 'philosophical medicine,' physics, and mechanics, who are to be reënforced by a number of subordinate committees. His state of the future is a highly centralized government, and is described by the author with the customary details. Where Weitling, to some extent, approaches the conception of modern Socialism, is in his recognition of class distinctions between employer and employee. This distinction never amounted to a conscious indorsement of the modern Socialist doctrine of the 'class struggle,' but his views on the antagonism between the 'poor' and the 'wealthy' came quite close to it. He was a firm believer in labor organizations as a factor in developing the administrative abilities of the working class; the creation of an independent labor party was one of his pet schemes, and his appeals were principally addressed to the workingmen.

"Unlike most of his predecessors and contempo-

aries, Weitling was not a mere critic; he was an enthusiastic preacher, an apostle of a new faith, and his writings and speeches breathed of love for his fellow-men, and of an ardent desire for their happiness."

Étienne Cabet was, in many ways, a very different type of man from Weitling, yet their ideas were not so dissimilar. Cabet, born in Dijon, France, in 1788, was the son of a fairly prosperous cooper, and received a good university education. He studied both medicine and law, adopting the profession of the latter, and early achieving success in its practice. He took a leading part in the Revolution of 1830 as a member of the "Committee of Insurrection," and upon the accession of Louis Phillipe was "rewarded" by being made Attorney-General for Corsica. There is no doubt that the government desired to remove Cabet from the political life of Paris, quite as much as to reward him for his services during the Revolution; his strong radicalism, combined with his sturdy independence of character, being rightly regarded as dangerous to Louis Phillipe's régime. His reward, therefore, took the form of practical banishment. The wily advisers of Louis Phillipe gave him the gloved hand. But the best-laid schemes of mice and courtiers "gang oft a-gley." Cabet, in Corsica, joined the radical anti-administration forces, and became a thorn in the side of the government. He was re-

moved from office and returned to Paris, whereupon the citizens of Dijon, his native town, elected him as their deputy to the lower chamber in 1834. Here he continued his opposition to the administration, and was at last tried on a charge of *lese majesté*, and given the option of choosing between two years' imprisonment or five years' exile.

Cabet chose exile, and took up his residence in England, where he fell under the influence of the Owen agitation and became a convert to Owen's Socialistic views. During this time of exile, too, he became acquainted with the *Utopia* of Sir Thomas More and was fascinated by it. The idea of writing a similar work of fiction to propagate Socialism impressed itself upon his mind, and he wrote a "philosophical and social romance," entitled *Voyage to Icaria*,¹ which was published soon after his return to Paris, in 1839. In this novel Cabet follows closely the method of More, and describes "Icaria" as "a Promised Land, an Eden, an Elysium, a new terrestrial Paradise." The plot of the book is simple in the extreme and its literary merit is far from being very great. The writer represents that he met, in London, a nobleman, Lord William Carisdall, who, having by chance heard of Icaria and the wonderfully strange customs and form of government of its inhabitants, visited the country. Lord William kept

¹ *Voyage en Icarie.*

a journal, in which he described all that he saw in this wonderland. It is this journal, we are told, which the traveler had permitted to be published through the medium of his friend, and under his editorial supervision. The first part of the book contains an attractive account of the coöperative system of the Icarians, their communistic government, equality of the sexes, and high standard of morality. The second part is devoted to an account of the history of Icaria, prior to, and succeeding, the Revolution of 1782, when the great national hero, Icar, established Communism.

The book created a tremendous furore in France. It appealed strongly to the discontented masses, and it is said that by 1847 Cabet had no less than four hundred thousand adherents among the workers of France. It is possible, *cum grano salis*, to accept this statement only by remembering that a very infinitesimal proportion of these were adherents in the sense of being ready to follow his leadership, as subsequent experience showed. Still, the effect of the book was tremendous, and it served to fire the flagging zeal of those workers for social regeneration whose hearts must otherwise have become deadly sick from long-deferred hopes.

The confluence of these two streams of Communist propaganda represented by Weitling and Cabet constituted the real Communist "movement" of 1840—

1847.¹ Its organized expression was the Communist League, a secret organization with its headquarters in London. The League was formed in Paris in 1836 by German refugees and traveling workmen, and seems to have been an offspring of Mazzini's "Young Europe" agitation of 1834. At different times it bore the names, "League of the Just," "League of the Righteous," and, finally, "Communist League."² For many years it remained a mere conspiratory society, exclusively German, and existed mainly for the purpose of fostering the "Young Germany" ideas. Later it became an International Alliance with societies in many parts of Europe. Thus it was that, in 1847, the League in Paris wrote inviting Karl Marx, who was at that time in Brussels,—where, in accordance with an understanding arrived at with the leaders of the Paris League while he was in that city, he had formed a similar society—to join, together with Friedrich Engels, the international organization, and promising that a congress should be convened in London at an early date. Engels was in Paris at that time, and was probably responsible for the step taken by the League leaders. We may, in view of Engels' after career as the politician of the movement, surmise so much. Be that

¹ F. Engels, Introduction to *The Communist Manifesto*, page 5.

² E. Belfort Bax, article on *Friedrich Engels*, in *Justice* (London), No. 606, Vol. XII, August 24, 1895.

how it may, the reason for the step, the object of the proposed Congress, is quite clear. Marx himself has placed it beyond dispute. During his stay in Paris, he and Engels had discussed the position of the League with some of its leaders, and he had, later, criticised it in the most merciless manner in his pamphlets.¹ He desired a revolutionary working class party with a definite aim and policy. The leaders of the League who agreed with him in this were the prime movers for the Congress, which was held in London, in November, 1847. At this Congress, Marx and Engels presented their views at great length, and outlined the principles and policy which their famous pamphlet later made familiar. Their views finding much favor, as was perfectly natural with an inchoate mass of men only waiting for leadership, they were requested to prepare "a complete theoretical and working programme" for the League. This took the form of the *Communist Manifesto*, published in the early part of January, 1848.

II

The authors of the *Manifesto* were men of great intellectual gifts. Either of them alone must have won fame; together, they won immortality. Their

¹ *Disclosures about the Communists' Process, Herr Vogt, etc.*

lives, from the date of their first meeting in Paris, in 1844, to the death of Marx almost forty years later, in 1883, are inseparably interwoven. The friendship of Damon and Pythias was not more remarkable.

Karl Marx was born in 1818, on the fifth day of May, at Trèves, the oldest town in Germany, dating back to Roman times.¹ His father was a Jewish lawyer of prominence and great learning; his mother, the descendant of Hungarian Jews who in the seventeenth century had settled in Holland. On his father's side, Marx was the descendant of a long line of Rabbis,² unbroken for two hundred years prior to his father. The true family name was Mordechia, but that was abandoned by the grandfather, who adopted the name of Marx. Either shortly before the birth of Karl, or shortly afterward,³ his father received notice that he must either forego his official position and the practice of his profession, or, with his family, accept the Christian faith and baptism. Caring nothing for the Hebrew religion, steeped in the materialism of eighteenth-century France, and an ardent

¹ Liebknecht, *Karl Marx : Biographical Memoirs*, page 13.

² Thus Franz Mehring, quoted by Kirkup, *History of Socialism*, page 130; thus, also, Dawson, *German Socialism and Ferdinand Lassalle*, page 91; but Eleanor Marx, quoted by Liebknecht, *Memoirs of Marx*, page 165, seems to place the rabbinical ancestry on the mother's side.

³ The date of this occurrence is not known. It is given variously from 1814 to 1824. In the *Memoirs* Liebknecht says it was soon after the birth of Marx (page 13), but on page 164 he quotes Marx's daughter's opinion that it was before the son's birth.

disciple of Voltaire, he did not hesitate to submit to the decree, and he and his family were baptized. But the son, though he likewise cared nothing for the Jewish religion, never forgave the slight thus put upon his race. He was proud of being a Jew, proud of his rabbinical ancestry, and perhaps owed to the latter some of his marvelous gift of exposition.

At the earnest behest of his father, Marx studied law at the universities of Berlin and Bonn. But "to please himself," he studied history and philosophy and won great distinction in those branches of learning. He graduated in 1841, as a Doctor of Philosophy, with an essay on the philosophy of Epictetus, and it was his purpose to settle at Bonn as a lecturer in philosophy. That plan was abandoned, partly because he had already discovered that his bent was toward political activity, and partly because the Prussian government had made scholastic independence impossible. Accordingly, Marx accepted the offer of the editorship of a democratic paper, the *Rhenish Gazette*, in which he waged bitter, relentless war upon the government. Time after time the censors interfered, but Marx was too brilliant a polemicist, even thus early in his career, for the censors. So, finally, at the request of his managers, Marx retired. They hoped thus to avoid being compelled to suspend the publication, but in vain; the government suppressed the paper in March, 1843.

Soon after this he removed to Paris, with his young bride of a few months, Jenny von Westphalen, the playmate of his childhood. The Von Westphalens were of the nobility, and a brother of Marx's wife afterward became a Prussian Minister of State. The elder Von Westphalen was half Scotch, related, on his maternal side, to the Argyles. Liebknecht tells an amusing story of how Marx, many years later, having to pawn some of his wife's heirlooms, especially some heavy, antique, silver spoons which bore the Argyle crest and motto, "Truth is my Maxim," narrowly escaped being arrested on suspicion of having robbed the Argyles!¹ To Paris, then, Marx went, and there met, among others, P. J. Proudhon, Michael Bakunin, Arnold Ruge, Heinrich Heine, and, above all, the man destined to be his very *alter ego*, Friedrich Engels, with whom he had already had some correspondence.²

The attainments of Engels have been somewhat overshadowed by those of his friend. Born at Barmen, in the province of the Rhine, November 28, 1820, he was educated in the Gymnasium of that city, and, after serving his period of military service, from 1837 to 1841, was sent, in the early part of 1842, to Manchester, England, to look after a cotton-

¹ *Memoirs of Marx*, page 164.

² Karl Kautsky, article on F. Engels, *Austrian Labor Almanac*, 1887.

spinning business of which his father was principal owner. Here he seems to have at once begun a thorough investigation of social and industrial conditions, the results of which are contained in his book, *The Condition of the Working Class in England in 1844*, which remains to this day a classic presentation of the social and industrial life of the period. From the very first, already predisposed as we know, he sympathized with the views of the Chartists and the Owenite Socialists. He became friendly with the Chartist leaders, notably with Feargus O'Connor, to whose paper, *The Northern Star*, he became a contributor. He also became friendly with Robert Owen and wrote for his *New Moral World*.¹ His linguistic abilities were great; it is said that he had thoroughly mastered no less than ten languages — a gift which helped him immensely in his literary and political association with Marx.

When the two men met for the first time, in 1844, they were drawn together by an irresistible impulse. They were kindred spirits. Marx, during his stay in Paris, already regarded as a leader of radical thought, had fallen under the influence of the Saint-Simonians and become definitely a Socialist. At first this seems difficult to explain, so great is the chasm which yawns between the "New Christianity" of Saint-Simon and

¹ E. Belfort Bax, article on *Friedrich Engels* in *Justice* (London), No. 606, Vol. XII, August 24, 1895.

the materialism of Marx. Assuredly there could be no sympathy for the religio-mysticism of the French dreamer on the part of the German. But Marx, with his usual penetration, saw in Saint-Simonism the hidden germ of a great truth, the embryo of a profound theory. Saint-Simon, as we have seen, had vaguely indicated the two ideas which were afterward to be cardinal doctrines of the Marx-Engels *Manifesto* — the antagonism of classes, and the economic basis of political institutions. Not only so, but Saint-Simon's grasp of political questions, instanced by his advocacy, in 1815, of a triple alliance between England, France, and Germany,¹ appealed to Marx, and impressed him alike by its fine perspicacity and its splendid courage. Engels, in whom, as stated, the working-class spirit of Chartism and the ideals of Owenism were blended, found in Marx a twin spirit. They were, indeed, —

"Two souls with but a single thought,
Two hearts that beat as one."

III

The *Communist Manifesto* is the first declaration of an International Workingmen's Party. Its fine peroration is a call to the workers to transcend the

¹ See F. Engels, *Socialism, Utopian and Scientific*, page 16 (London edition, 1892).

petty divisions of nationalism and sectarianism. — “The proletarians have nothing to lose but their chains. They have a world to win. Workingmen of all countries unite!” These concluding phrases of the *Manifesto* have become the shibboleths of millions. They are repeated with fervor by the disinherited workers of all the lands. Even in China, lately so rudely awakened from the slumbering peace of the centuries, they are cried. No sentences ever coined in the mint of human speech have held such magic power over such large numbers of men and women of so many diverse races. As a literary production, the *Manifesto* bears the unmistakable stamp of genius.

But it is not as literature that we are to consider the historic document. Its importance for us lies, not in its form, but in its fundamental principle. And the fundamental principle, the essence or soul of the declaration, is contained in this pregnant summary by Engels: —

“In every historical epoch, the prevailing mode of economic production and exchange, and the *social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch*, that consequently the whole history of mankind (since primitive tribal society holding land in common ownership) has been a history of class

struggles, contests between exploiting and exploited, ruling and oppressed classes."¹

Thus Engels summarizes the philosophy — as apart from its proposals of immediate ameliorative measures to constitute the political programme of the party — of the *Manifesto*, and the basis upon which the whole superstructure of modern, scientific Socialism rests. This is the materialistic, or economic, conception of history which distinguishes scientific Socialism from all the Utopian Socialisms which preceded it. Socialism is henceforth a theory of social evolution, not a scheme of world-building; a spirit, not a thing. Thus twelve years before the appearance of *The Origin of Species*, nearly twenty years after the death of Lamarck, the authors of the *Communist Manifesto* had formulated a great theory of evolution, and based upon it the mightiest proletarian movement of history. Socialism had become a science instead of a dream.

IV

Naturally, in view of its historic rôle, the joint authorship of the *Manifesto* has been much discussed. What was the respective share of each of its creators? What did Marx contribute, and what Engels? It may be, as Liebknecht says, an idle question, but it

¹ F. Engels, Introduction to the *Communist Manifesto* (English translation, 1888). The italics are mine. J. S.

is a perfectly natural one. The pamphlet itself does not assist us; there are no internal signs pointing now to the hand of the one, now to the hand of the other. We may hazard a guess that most of the programme of ameliorative measures was the work of Engels, and perhaps the final section. For it was ever his task to deal with present political problems in the light of the fundamental theories, to the systematization and elucidation of which Marx was devoted.

Beyond this mere, and perhaps rash, conjecture, we have Engels' word with regard to the basal principle which he has summarized in the passage already quoted. "The *Manifesto*, being our joint production," he says, "I consider myself bound to state that the fundamental proposition which forms its nucleus belongs to Marx. . . . This proposition, which, in my opinion, is destined to do for history what Darwin's theory has done for biology, we, both of us, had been gradually approaching for some years before 1845. How far I had progressed toward it is best shown by my *Condition of the Working Class in England*.¹ But when I again met Marx at Brussels, in the spring 1845, he had it ready worked out, and put it before me in terms almost as clear as those in which I have stated it here."²

¹ F. Engels, *The Condition of the Working Class in England in 1844*. See, for instance, pages 79, 80, 82, etc.

² Introduction to the *Communist Manifesto* (English edition, 1888).

Engels has lifted the veil so far, but the rest is hidden. Perhaps it is well that it should be; well that no man should be able to say which passages came from the spirit of Marx, and which from the spirit of Engels. In life they were inseparable, and so they must be in the Valhalla of history. The greatest political pamphlet of all time must forever bear, with equal honor, the names of both. Their noble friendship unites them even beyond the tomb.

"Twin Titans! Whom defeat ne'er bowed,
Scarce breathing from the fray,
Again they sound the war cry loud,
Again is riven Labor's shroud,
And life breathed in the clay.
Their work? Look round — see Freedom proud
And confident to-day."¹

¹ From *Friedrich Engels*, a poem by "J. L." (John Leslie), *Justice* (London), August 17, 1895.

CHAPTER IV

THE MATERIALISTIC CONCEPTION OF HISTORY

I

SOCIALISM, then, in the modern, scientific sense, is a theory of social evolution. Its hopes for the future rest, not upon the genius of some Utopia-builder, but upon the forces of historical development. The Socialist state will never be realized except as the result of economic necessity, the culmination of successive epochs of industrial evolution. Thus the present social system appears to the Socialist of to-day, not as it appeared to the Utopians, and as it still must appear to mere ideologist reformers, as a triumph of ignorance or wickedness, the reign of false ideas, but as a result of an age-long evolutionary process determined, not wholly indeed, but mainly, by certain methods of producing the necessities of life in the first place, and secondly, of effecting their exchange.

Not, let it be understood, that Socialism in becoming scientific has become a mere mechanical theory of economic fatalism. The historical development, the social evolution, upon the laws of which the theories

of Socialism are based, is a human progress, involving all the complex feelings, emotions, interests, aspirations, hopes, and fears, common to man.¹ To ignore this fundamental fact, as they must who interpret the Marx-Engels theory of history as an economic fatalism, is to miss the profoundest significance of the theory. While it is true that the scientific spirit destroys the idea of romantic, magic transformations of the social system, and the belief that the world may at will be re-created, re-built upon the plans of some Utopian architect, it still, as we shall see, leaves room for the human factor. They who accept the theory that the production of the material necessities of life is the main impelling force, the *geist*, of human evolution, may rightly protest against social injustice and wrong just as vehemently as any of the ideologists, and aspire just as fervently toward a nobler and better state. The Materialistic Conception of History does not involve the fatalist resignation summed up in the phrase, "Whatever is, is natural, and, therefore, right."

II

The idea of social evolution is admirably expressed in the fine phrase of Leibnitz: "The present is the

¹ For a discussion of this point, see Enrico Ferri's *Socialism and Modern Science*. Translated by R. Rives La Monte, New York, 1900.

child of the past, but it is the parent of the future.”¹ The great seventeenth-century philosopher was not indeed the first to postulate and apply to society that doctrine of flux, of continuity and unity, which we call evolution. In all ages of which record has been preserved to us, it has been sporadically, and more or less vaguely expressed. Even savages seem to have dimly perceived it. The saying of the Bechuana chief, recorded by the missionary, Casalis, was probably, from its epigrammatic character, a proverb of his people. “One event is always the son of another,” he said, — a saying strikingly like that of Leibnitz.

Since the work of Lyell, Darwin, Wallace, Spencer, Huxley, and their numerous followers, — a brilliant school embracing the foremost historians and sociologists of Europe and America, — the idea of evolution as a universal law has made rapid and certain progress. Everything changes; nothing is immutable or eternal. Whatever is, whether in geology, astronomy, biology, or sociology, is the result of numberless, inevitable, related changes. The present is a phase only of a great transition process from what was, through what is, to what will be.

The Marx-Engels theory is an exploration of the laws governing this process of evolution in the domain of human relations: an attempt to provide a key to

¹ Edward Clodd, *Pioneers of Evolution from Thales to Huxley*, page 1.

the hitherto mysterious succession of changes in the political, juridical, and social relations and institutions. Whence, for instance, arose the institution of chattel slavery, so repugnant to our modern ideas of right and wrong; and how shall we explain its defense and justification in the name of religion and morality? How account for the fact that what at one period of the world's history is regarded as perfectly natural and right — the practice of polygamy, for example — becomes abhorrent at another period; or that what is regarded with horror and disgust in one part of the world is sanctioned by the ethical codes and freely practiced elsewhere? Ferri gives two examples of this kind: the cannibalism of Central African tribes, and the killing of parents, as a religious duty, in Sumatra.¹ To reply "custom" is to beg the whole issue; for customs do not exist without reason, however difficult it may be for us to discern the reasons for any particular custom. To reply that these things are mysteries, as the old theologians did when the doctrine of the Trinity was questioned, is to leave the question unanswered and to challenge doubt and investigation; the human mind abhors a mystery as nature abhors a vacuum. Despite Spencer's dogmatism, the human mind has never admitted the existence of the *Unknowable*. To explore the *Unknown* is man's universal impulse; and with each

¹ Ferri, *Socialism and Modern Science*, page 96.

fresh discovery the *Unknown* is narrowed by the expansion of the *Known*.

The theory that ideas determine progress, that, in the words of Professor Richard T. Ely,¹ "all that is significant in human history may be traced back to ideas," is only true in the sense that a half truth is true. It is truth, nothing but the truth, but it is not the whole truth. For ideas have histories, too, and the causation of an idea must be understood before the idea itself can serve to explain anything. We must go back of the idea to the causes which gave it birth if we would interpret anything by it. We may trace the American Revolution, for example, back to the revolutionary ideas of the colonists, but that will not materially assist us to understand the Revolution. For that, it is necessary to trace the ideas themselves to their source, the economic discontent of a sadly exploited people. This is the new spirit which illumines the works of historians like Green, McMaster, Morse Stephens, and others, who emphasize social rather than individual forces, and find the *geist* of history in social experiences and institutions. What has been called the "Great Man theory," the theory which regarded Luther as the creator of the Protestant Reformation, to quote only one example, and ignored the great economic changes consequent upon the break-up of feudalism and the

¹ Ely, *Studies in the Evolution of Industrial Society*, page 3.

rise of a new industrial order, long dominated our histories. The student, who seeks in the bulk of the histories written prior to, say, 1860, what he has a legitimate reason for seeking, a picture of the actual life of the people at any period, will be sadly disappointed. He will find records of wars and treaties of peace, royal genealogies and gossip, wildernesses of unrelated dates. But he will not find such careful accounts of the jurisprudence of the period, nor any hint of the economical conditions of its development. He will find splendid accounts of court life, with its ceremonials, scandals, intrigues, and follies; but no such pictures of the lives of the people, their social conditions, and the methods of labor and commerce which obtained. The new spirit, in the development of which the materialistic conception of Marx and Engels has been an important creative influence, is concerned less with the chronicle of notable events and dates than with their underlying causes and the manner of life of the people. Had it no other bearing, the Marx-Engels theory, considered solely as a contribution to the science of history, would have been one of the greatest philosophical achievements of the nineteenth century. By emphasizing the importance of the economic factors in social evolution, it has done much for economics and more for history.¹

¹ Cf. Seligman, *The Economic Interpretation of History*.

III

While the Materialistic Conception of History bears the names of Marx and Engels, as the theory of organic evolution bears the names of Darwin and Wallace, it is not claimed that the idea had never before been expressed. Just as thousands of years before Darwin and Wallace the theory which bears their names had been dimly perceived, so the idea that economic motives dominate historical developments had its foreshadowings. The famous dictum of Aristotle, that only by the introduction of machines would the abolition of slavery ever be possible, is a conspicuous example of many anticipations of the theory. It is true that "In dealing with speculations so remote, we have to guard against reading modern meanings into writings produced in ages whose limitations of knowledge were serious, whose temper and standpoint are wholly alien to our own,"¹ but the Aristotelian saying admits of no other interpretation. It is clearly a recognition of the fact that the supreme politico-social institution of the time depended upon hand labor. In later times, the idea of a direct connection between economic causes and legal and political institutions reappears in the works of various writers. Professor Seligman² quotes from Harring-

¹ Clodd, *Pioneers of Evolution from Thales to Huxley*, page 8.

² Seligman, *The Economic Interpretation of History*, page 50.

ton's *Oceana* the argument that the prevailing form of government depends upon the conditions of land tenure, and the extent of its monopolization. Saint-Simon, too, as already stated,¹ taught that political institutions depend upon economic conditions. But it is to Marx and Engels that we owe the first formulation of what had hitherto been but a suggestion into a definite theory, and the beginnings of a literature, now of considerable proportions, dealing with history from its standpoint.

A word as to the designation of the theory. Its authors gave it the name of "historical materialism," and it has been said that the name is for various reasons unfortunately chosen. The two leading American exponents of the theory, Professor Seligman and Mr. Ghent, have expressed that conviction in very definite terms. The last-named writer bases his objection to the name on the ground that it is repellent to many persons who associate the word "materialism" with the philosophy "that matter is the only substance, and that matter and its motions constitute the universe."² That is an old objection, and undoubtedly contains much truth; it is interesting in connection therewith to read Engels' sarcastic comment upon it in the Introduction to his *Socialism, Utopian and Scientific*. The objection of

¹ See page 43.

² W. J. Ghent, *Mass and Class*, page 9.

Professor Seligman is based upon another ground entirely. He impugns its accuracy. "The theory which ascribes all changes in society to the influence of climate, or to the character of the fauna and flora, is materialistic," he says, "and yet has little in common with the doctrine here discussed. The doctrine we have to deal with is not only materialistic, but also economic in character; and the better phrase is . . . the 'economic interpretation' of history."¹ For this reason he discards the name given to the theory by its authors and adopts the luminous phrase of Thorold Rogers.² By French and Italian writers the term "economic determinism" has long been used and it has been adopted to some extent in this country by Socialist writers. But this term also Professor Seligman rejects, for the perfectly valid reason that it exaggerates the theory, and gives it, by implication, a fatalistic character, conveying, as it does, the idea that economic influence is the *sole* determining factor—a view which its authors specifically repudiated.

Many persons have doubtless been deceived into believing that the theory involves the denial of all influence to idealistic or spiritual factors; and the assumption that economic forces *alone* determine the course of historical development. That is due partly, no doubt, to the overemphasis placed upon

¹ Seligman, *The Economic Interpretation of History*, page 4.

² Without credit, by the way.

it by its founders — a common experience of new doctrines — and, above all, the exaggerations of too zealous, unrestrained disciples. There is a wise saying of Schiller's which suggests the spirit in which these exaggerations of a great truth — exaggerations by which it becomes falsehood — should be regarded: "Rarely do we reach truth, except through extremes — we must have foolishness . . . even to exhaustion, before we arrive at the beautiful goal of calm wisdom."¹ When it is contended that the "Civil War was at the bottom a struggle between two economic principles,"² we have the presentation of an important truth, the key to the proper understanding of a great event. But when that important fact is exaggerated and torn from its legitimate place to suit the propaganda of a theory, and we are asked to believe that Garrison, Lovejoy, and other abolitionists, were inspired solely by economic motives, that the urge of human freedom did not enter their souls, we are forced to reject it. But let it be clearly understood that it forms no part of the theory, that it is even expressly denied in the very terms of the theory, and that its founders took every chance of repudiating such monstrous perversions of their statements.

In one of the very earliest of his writings upon the

¹ Schiller, *Philosophical Letters*, Preamble.

² Seligman, *The Economic Interpretation of History*, page 86.

subject, some comments upon the philosophy of Ludwig Feuerbach, written in 1845, and intended to form the basis of a work upon the subject, we find Marx insisting that man is not a mere automaton, driven irresistibly by blind economic forces. He says: "The materialistic doctrine, that men are the products of conditions and education, different men, therefore, the products of other conditions and changed education, *forgets that circumstances may be altered by men, and that the educator has himself to be educated.*"¹ Thus early we see the master taking a position entirely at variance with those of his disciples who would claim that the human factor has no place in historical development. Marx recognizes the human character of the problem and the futility of attempting to reduce all the processes of history and human progress to one sole basic cause. And in no instance, so far as I am aware, has Marx or his colleague attempted to do this. In another place, Marx contends that "men make their own history, but they make it not of their own accord or under self-chosen conditions, but under given and transmitted conditions. The tradition of all dead generations weighs like a mountain upon the brain of the living."² Here, again, the influence of the human

¹ Appendix to F. Engels' *Feuerbach, the Roots of the Socialist Philosophy*, translated by Austin Lewis, 1903.

² Quoted from *The Eighteenth Brumaire* of Marx, by Seligman, page 42.

will is not denied, though its limitations are indicated. This is the application to social man of the theory of limitations of the will commonly accepted as applying to individuals. Man is only a freewill agent within certain bounds. In a given contingency, I may be "free" to act in a certain manner, or to refrain from so acting. I may take my choice, in the one direction or the other, entirely free, to all appearances, from restraining or compelling influences; thus, I have acted upon my "will." But what factors formed my will? What circumstances determined my decision? Perhaps fear, or shame, or pride, perhaps tendencies inherited from the past.

Engels admits that the economic factor in evolution has been unduly emphasized. He says: "Marx and I are partly responsible for the fact that the younger men have sometimes laid more stress on the economic side than it deserves. In meeting the attacks of our opponents, it was necessary for us to emphasize the dominant principle denied by them; and we did not always have the time, place, or opportunity to let the other factors which were concerned in the mutual action and reaction get their deserts."¹ In another letter,² he says: "According to the materialistic view of history, the factor which

¹ Quoted from *The Sozialistische Akademiker*, 1895, by Seligman: *The Economic Interpretation of History*, page 142.

² *Idem*, page 143.

is in *last instance* decisive in history is the production and reproduction of actual life. More than this neither Marx nor I have ever asserted. But when any one distorts this so as to read that the economic factor is the sole element, he converts the statement into a meaningless, abstract, absurd phrase. The economic condition is the basis; but the various elements of the superstructure—the political forms of the class contests, and their results, the constitutions—the legal forms, and also all the reflexes of these actual contests in the brains of the participants, the political, legal, philosophical theories, the religious views . . . —all these exert an influence on the development of the historical struggles, and, in many instances, determine their form.”

It is evident, therefore, that the doctrine does not imply economic fatalism. It does not deny that ideals influence historical developments and individual conduct. It does not deny that men may, and often do, act in accordance with the promptings of noble impulses, when their material interests would lead them to act otherwise. We have a conspicuous example of this in Marx’s own life, his splendid devotion to the cause of the workers through years of terrible poverty and hardship when he might have chosen wealth and fame. Thus we are to understand the materialistic theory as teaching, not that history is determined by economic forces

only, but that in human evolution the chief factors are social factors, and that these factors in turn are *mainly* molded by economic circumstances.¹

This, then, is the basis of the Socialist philosophy, which Engels regards as "destined to do for history what Darwin's theory has done for biology." Marx himself made a similar comparison.² Marx was, so Liebknecht tells us, one of the first to recognize the importance of Darwin's investigations from a sociological point of view. His first elaborate treatment of the materialistic theory, in *A Contribution to the Critique of Political Economy*, appeared in 1859, the year in which *The Origin of Species* appeared. "We spoke for months of nothing else but Darwin, and the revolutionizing power of his scientific conquests,"³ says Liebknecht. Darwin, however, had little knowledge of political economy, as he acknowledged in a letter to Marx, thanking the latter for a copy of his *Das Capital*. "I heartily wish that I possessed a greater knowledge of the deep and important subject of economic questions, which would make me a more worthy recipient of your gift," he wrote.⁴

¹ I have not attempted to give here a history of the development of the theory, and only in a general way have I attempted to explain it. For a more minute study of the theory, I must refer the reader to the writings of Engels, Seligman, Ghent, Ferri, Bax, and others quoted in these pages.

² *Capital*, Vol. I, page 367 n.

³ Liebknecht, *Memoirs of Karl Marx*, page 91.

⁴ *Charles Darwin and Karl Marx, A Comparison*, by Edward Aveling, London, 1897.

IV

The test of such a theory must lie in its application. Let us, then, apply the materialistic principle, first to a specific event, and then to the great sweep of the historic drama. Perhaps no single event has more profoundly impressed the imaginations of men, or filled a more important place in our histories, than the discovery of America by Columbus. In the school-books for generations, this great event figures as a splendid adventure, arising out of a romantic dream. But the facts are, as we know, far otherwise.¹ In the twelfth and thirteenth centuries there were numerous and well-frequented routes from Hindustan, that vast storehouse of treasure from which Europe drew its riches. Along these routes cities flourished. There were the great ports, Licia in the Levant, Trebizond on the Black Sea, and Alexandria. From these ports, Venetian and Genoese traders bore the produce over the passes of the Alps to the Upper Danube and the Rhine. Here it was a source of wealth to the cities along the waterways, from Ratisbon and Nuremburg, to Bruges and Antwerp. Even the slightest acquaintance with the history of the Middle Ages must show the importance of these cities.

¹ See Thorold Rogers, *The Economic Interpretation of History*, second edition, 1891, pages 10-12.

When all these routes save the Egyptian were closed by the hordes of savages which infested Central Asia, it became an easy matter for the Moors in Africa, and the Turks in Europe, to exact immense revenues from the Eastern trade, solely through their monopoly of the route of transit. The Turks were securely seated at Constantinople, threatening to advance into the heart of Europe, and building up an immense military system out of the taxes imposed upon the trade of Europe with the East — a military power, which, in less than a quarter of a century, enabled Selim I to conquer Mesopotamia and the holy towns of Arabia, and to annex Egypt.¹ It became necessary, then, to find a new route to India; and it was this great economic necessity which first set Columbus thinking of a pathway to India over the Western Sea. It was this great economic necessity which induced Ferdinand and Isabella to support his adventurous plan, — in a word, without detracting in any manner from the splendid genius of Columbus, or from the romance of his great voyage of discovery, we see that, fundamentally, it was the economic interest of Europe which gave birth to the one and made the other possible. The same explanation applies to the voyage of Vasco da Gama, six years

¹ I do not attempt to develop here the serious consequences of these events to Europe. See *The Economic Interpretation of History*, by Thorold Rogers, Chapter I, page 8, for a brief account of this.

later, which resulted in finding a way to India over the southeast course by way of the Cape of Good Hope.

Kipling asks in his ballad "The British Flag":—

"And what should they know of England, who only England know?"

There is a profound truth in the defiant line, a truth which applies equally to America or any other country. The present is inseparable from the past. We cannot understand one epoch without reference to its predecessors; we cannot understand the history of the United States unless we first seek the key in the history of Europe; of England and France, in particular. At the very threshold, to understand how the heroic navigator came to discover the vast continent of which the United States is part, we must pause to study the economic conditions of Europe which impelled the adventurous voyage, and led to the finding of a great continent stretching across the ocean path. Such a view of history does not rob it of its romance, but rather adds to it. Surely, the wonderful linking of circumstances, — the demand for spices and silks to minister to the fine tastes of aristocratic Europe, the growth of the trade with the East Indies, the grasping greed of Moor and Turk, — all playing a rôle in the great drama of which the discovery of America is but a scene, is infinitely more fascinating than the latter event detached from its historic setting!

It is not easy in the compass of a few pages to give an intelligent view of the main currents of history. The sketch here introduced — not without hesitation — is an endeavor to state the Socialist concept of the course of evolution in brief outline; to indicate the principal economic causes which have determined that course, and to direct the inquiring reader to some of the more important sources of information accessible to the average reader knowing no language but English.

It is now generally admitted that primitive man lived under Communism. Lewis H. Morgan¹ has calculated that if the life of the human race be assumed to have covered one hundred thousand years, at least ninety-five thousand years were spent in a crude, tribal Communism, in which private property was practically unknown, and in which the only ethic was devotion to tribal interests, and the only crime antagonism to tribal interests. Under this social system the means of making wealth was in the hands of the tribes, or gens, and the distribution was likewise socially arranged. Between the different tribes warfare was constant; but in the tribe itself there was coöperation and not struggle. This fact is of tremendous importance in view of the criticisms which have been directed to the Socialist philosophy from the so-called Darwinian point of view — the theory

¹ Quoted by Hyndman, *Economics of Socialism*, page 5.

that competition and struggle is the law of life; that what Professor Huxley calls "the Hobbesial war of each against all," is the normal state of existence. I say the "so-called Darwinian theory" advisedly, for the struggle for existence as the law of evolution has been exaggerated out of all likeness to the conception of Darwin himself. In *The Descent of Man*, for instance, Darwin raises the point under review, and shows how, in many animal societies, the *struggle* for existence is replaced by *coöperation* for existence, and how that substitution results in the development of faculties which secure to the species the best conditions for survival. "Those communities," he says, "which included the greatest number of the most sympathetic members, would flourish best and rear the greatest number of offspring."¹ Despite these instances, and the warning of Darwin himself that the term struggle for existence should not be too narrowly interpreted or overrated, his followers, instead of broadening it according to the master's suggestions, narrowed it still more. This is almost invariably the fate of theories which deal with human relations, perhaps it would be equally true to say of all theories. The exaggerations of Malthus' law of population is a case in point. The Marx-Engels materialistic conception of history, is, we have seen, another.

Kropotkin, among others, has developed the theory

¹ Darwin, *The Descent of Man*, second edition, page 163.

that "though there is an immense amount of warfare and extermination going on amidst various species, and especially amidst various classes of animals, there is, at the same time, as much, or perhaps even more, of mutual support, mutual aid, mutual defense amidst animals belonging to the same species or, at least, to the same society. Sociability is as much a law of nature as mutual struggle. . . . If we resort to an indirect test, and ask nature: 'Who are the fittest: those who are continually at war with each other, or those who support one another?' we at once see that those animals which acquire habits of mutual aid are undoubtedly the fittest. They have more chances to survive, and they attain, in their respective classes, the highest development of intelligence and bodily organization. If the numberless facts which can be brought forward to support this view are taken into account, we may safely say that mutual aid is as much a law of animal life as mutual struggle, but that, as a factor of evolution, it most probably has a far greater importance, inasmuch as it favors the development of such habits and characters as insure the maintenance and further development of the species, together with the greatest amount of welfare and enjoyment of life for the individual, with the least waste of energy." ¹

From the lowest forms of animal life up to the

¹ Kropotkin, *Mutual Aid a Factor of Evolution*, pages 5-6.

highest, man, this law proves to be operative. It is not denied that there is competition for food, for life, within the species, human and other. But that competition is not usual; it arises out of unusual and special conditions. There are instances of hunger-maddened mothers tearing food away from their children; men drifting at sea have fought for water and food, as beasts fight; but these are not normal conditions of life. "Happily enough," says Kropotkin again, "competition is not the rule either in the animal world or in mankind. It is limited among animals to exceptional periods. . . . Better conditions are created by the *elimination of competition* by means of mutual aid and mutual support."¹ This is the voice of science now that we have passed through the extremes and arrived at the "beautiful goal of calm wisdom." Competition is not, in the verdict of modern science, the law of life, but of death. Strife is not nature's law of progress.

Anything more important for the purposes of our present inquiry than this verdict of science it would be difficult to imagine. Men have for so long believed and declared struggle and competition to be the "law of nature," and opposed Socialism on the ground of its supposed antagonism to that law, that this new conception of the law comes as a vindication of the Socialist position. The naturalist testifies

¹ Kropotkin, *Mutual Aid a Factor of Evolution*, page 74.

to the universality of the principle of coöperation throughout the animal world, and the historian to its universality over the greatest period of man's history. Thus the present tendencies toward combination and away from competition in industry and commerce appear as the fulfilling of a great universal law — and the vain efforts of men to stop that process, by legislation, boycotts, and divers other methods, appear as efforts to set aside nature's immutable law. Like so many Canutes, they bid the tides halt, and, like Canute's, their commands are vain and mocked by the unheeding tides.

Under Communism, then, man lived for many thousands of years. As far back as we can go into the paleo-ethnology of mankind, we find evidences of this. All the great authorities, Morgan, Maine, Lubbock, Taylor, Bachofen, and many others, agree in this. And under this Communism all the great fundamental inventions were evolved, as Morgan and others have shown. The wheel, the potter's wheel, the lever, the stencil plate, the sail, the rudder, the loom, were all evolved under Communism in its various stages. So, too, the cultivation of cereals for food, the smelting of metals, the domestication of animals, — to which we owe so much, and on which we still so largely depend, — were all introduced under Communism. Even in our own day there have been found abundant survivals of this Communism among

primitive peoples. I need only mention here the *Bantu* tribes of Africa, whose splendid organization astonished the British, and the Eskimos. It is now possible to trace with a fair amount of certainty the progress of man through various stages of Communism, from the unconscious Communism of the nomad to the consciously organized and directed Communism of the most developed tribes, right up to the threshold of civilization, when private property takes the place of common, tribal property, and economic classes appear.¹

V

Private property, other than that personal ownership and use of things, such as weapons and tools, which involves no class or caste domination, and is an integral feature of all forms of Communism, first appears in the ownership of man by man. Slavery, strange as it may seem, is directly traceable to tribal Communism, and first appears as a tribal institution. When one tribe made war upon another, its efforts were directed to the killing of as many of its enemies as possible. Cannibal tribes killed their foes for food, rarely or never killing their fellow-tribesmen for that purpose. Non-cannibalistic tribes killed their foes

¹ Cf. *Ancient Society*, by Lewis H. Morgan, and *The Origin of the Family, Private Property, and the State*, by Friedrich Engels.

merely to get rid of them. But when the power of man over the forces of external nature had reached that point in its development where it became relatively easy for a man to produce more than was necessary for his own maintenance, the custom arose of making captives of enemies and setting them to work. A foe captured had thus an economic value to the tribe; either he could be set to work directly, his surplus product going into the tribal treasury, or he could be used to relieve some of his captors from other necessary duties, thus enabling them to produce more than would otherwise be possible, the effect being the same in the end. The property of the tribe at first, slaves become at a later stage private property — probably through the institution of tribal distribution of wealth. Cruel, revolting, and vile as slavery appears to our modern sense — especially the earlier forms of slavery, before the body of legislation, and, not less important, sentiment, which surrounded it later arose — it still was a step forward, a distinct advance upon the older customs of cannibalism or wholesale slaughter.

Nor was it a progressive step only on the humanitarian side. It had other, profounder consequences from the evolutionary point of view. It made a leisured class possible, and provided the only conditions under which art, philosophy, and jurisprudence could be evolved. The secret of Aristotle's saying,

that only by the invention of machines would the abolition of slavery ever be possible, lies in his recognition of the fact that the labor of slaves alone made possible the devotion of a class of men to the pursuit of knowledge instead of to the production of the primal necessities of life. The Athens of Pericles, for example, with all its varied forms of culture, its art and its philosophy, was a semi-communism of a caste above, resting upon a basis of slave labor underneath. And that is true of all the so-called ancient democracies of civilization.

The private ownership of wealth producers and their products made private exchange inevitable; individual ownership of land took the place of communal ownership, and a monetary system was invented. Here, then, in the private ownership of land and laborer, private production and exchange for profit, we have the economic factors which caused the great revolts of antiquity, and led to that concentration of wealth into few hands with its resulting mad luxury and widespread proletarian misery, which conspired to the overthrow of Greek and Roman civilization. The study of those relentless economic forces which led to the break-up of Roman civilization is important as showing how chattel slavery became modified and the slave to be regarded as a serf, a servant tied to the soil. The lack of adequate production, the crippling of commerce by

the hordes of corrupt officials, the overburdening of the agricultural estates with slaves so that agriculture became profitless, the crushing out of free labor by slave labor, and the rise of a class of wretched free-men proletarians, these, and other kindred causes, led to the breaking up of the great estates; the dismissal of superfluous slaves, in many cases, and the partial enfranchisement of others by making them hereditary tenants, paying a fixed rent in shares of their product — here we have the embryo of the later feudal system. It was a revolution, this transformation of the social system of Rome, of infinitely greater importance than the sporadic risings of a few thousand slaves. Yet, such is the lack of perspective which historians have shown, it is given a far less important place in the histories than the risings in question. Slavery, chattel slavery, died because it had ceased to be profitable; serf labor arose because it was more profitable. Slave labor was economically impossible, and the labor of free men was morally impossible; it had, thanks to the slave system, become regarded as a degradation. In the words of Engels: "This brought the Roman world into a blind ally from which it could not escape. . . . There was no other help but a complete revolution."¹

The invading barbarians made the revolution

¹ F. Engels, *The Origin of the Family, Private Property, and the State*, translated by Ernest Untermann, page 182.

complete. By the poor freeman proletarians who had been selling their children into slavery, the barbarians were welcomed. Misery is like opulence in that it has no patriotism. Many of the proletarian freemen had fled to the districts of the barbarians, and feared nothing so much as a return to Roman rule; what, then, should the proletariat care for the overthrow of the Roman state? And how much less the slaves, whose condition, generally speaking, could not possibly change for the worse? The proletariat and the slave could join in saying, as men have said thousands of times in circumstances of desperation:—

“Our fortunes may be better; they can be no worse.”

VI

Feudalism is the essential politico-economic system of the Middle Ages. Obscure as its origin is, and indefinite as the date of its first appearances, there can be no doubt whatever that the break-up of the Roman system, and the modification of the existing form of slavery, constituted the most important of its sources. Whether, as some writers have contended, the feudal system of land tenure and serfdom is traceable to Asiatic origins, being adopted by the ruling class of Rome in the days of the economic disintegration of the empire, or whether it rose spontaneously out of the

Roman conditions, matters little to us. Whatever its archæological interest, it does not affect the narrower scope of our present inquiry whether economic necessity caused the adoption of an alien system of land tenure and agricultural production, or whether economic necessity caused the creation of a new system. The central fact is the same in either case. That period of history which we call the Middle Ages covers a span of well-nigh a thousand years. If we arbitrarily date its beginning from the successful invasion of Rome by the barbarians in the early part of the fifth century, and its ending with the final development of the craft guilds in the middle of the fourteenth century, we have a sufficiently exact measure of the time during which feudalism developed, flourished, and declined. There are few things more difficult than the bounding of historical epochs by exact dates; just as the ripening of the wheat fields comes almost imperceptibly, so that the farmer can say when the wheat is ripe yet cannot tell when the ripening occurred, so with the epochs into which history divides itself. There is the unripe state and the ripe, but no chasm yawns between them; they are merged together. We speak of the "end" of chattel slavery, and the "rise" of feudalism, therefore, in this wide, general sense. As a matter of fact, chattel slavery survived to some extent for centuries, existing alongside of the new form of servitude; and its

disappearance took place, not simultaneously throughout the civilized world, but at varying intervals. Likewise, too, there is a vast difference between the first, crude, ill-defined forms of feudalism and its subsequent development.

The theory of feudalism is "the divine right of kings." God is the Supreme Lord of all the earth, the kings are His vice regents, devolving their authority in turn upon whomsoever they will. At the base of the whole superstructure was the serf, his relation to his master differing only in degree, though in material degree, from that of the chattel slave. He might be, and often was, as brutally ill-treated as the slave before him had been; he might be ill fed and ill housed; his wife or daughters might be ravished by his master or his master's sons. Yet, withal, his condition was better than that of the slave. He could maintain his family life in an independent household; he possessed some rights, chief of which perhaps was the right to labor for himself. Having his own allotment of land, he was in a much larger sense a human being. Compelled to render so many days' service to his lord, tilling the soil, clearing the forest, quarrying stone, and doing domestic work, he was permitted to devote a certain, sometimes an equal, number of days to work for his own benefit. Not only so, but the service the lord rendered him, in protecting him and his family from the lawless and

violent robber hordes which infested the country, was considerable.

The feudal estate, or manor, was an industrial whole, self-dependent, and having few essential ties with the outside world. While the barons and their retainers, the lords, thanes, and freemen, enjoyed a certain rude plenty, some of the richer barons and lords enjoying a considerable amount of luxury and splendor, the villein and his sons tilled the soil, reaped the harvests, felled trees for fuel, built the houses, raised the necessary domestic animals, and killed the wild animals; his wife and daughters spun the flax, carded the wool, made the homespun clothing, brewed the mead, and gathered the grapes which they made into wine. There was little real dependence upon the outside world except for articles of luxury.

Such was the basic economic institution of feudalism. But alongside of the feudal estate with its serf labor, there were the free laborers, no longer regarding labor as shameful and degrading. These free laborers were the handicraftsmen and free peasants — the former soon organizing themselves into guilds. There was a specialization of labor, but, as yet, little division. Each man worked at a particular craft and exchanged his individual products. The free craftsman would exchange his product with the free peasant, and sometimes his trade extended to the feudal manor. The guild was at once his master and

protector; rigid in its rules, strict in its surveillance of its members, it was strong and effective as a protector against the impositions and invasions of feudal barons and their retainers. Division of labor first appears in its simplest form, the association of independent individual workers for mutual advantage, sharing their products on an equal basis. This simple coöperation involved no social change; that came later with the development of the workshop system, and the division of labor upon a definite, predetermined plan. Men specialized now in the making of *parts* of things; no man could say of a finished product, "This is *mine*, for I have made it." Production had become a social function.

VII

At first, in its simple beginnings, the coöperation of various producers in one great workshop did not involve any general or far-reaching changes in the system of exchange. But as the new methods spread, and it became the custom for one or two wealthy individuals to provide the workshop and necessary tools of production, the product of the combined labor of the workers being appropriated in its entirety by the owners of the agencies of production, who paid the workers a money wage representing less than the actual value of their product, and based

upon the cost of their subsistence, the whole economic system was once more revolutionized. The custom of working for wages, hitherto rare and exceptional, became general and customary; individual production for use, either directly or through the medium of personal exchange, was superseded by social production for private profit. The wholesale exchange of social products for private gain took the place of the personal exchange of commodities. The difference between the total cost of the production of commodities, including the wages of the producers, and their exchange value — determined at this stage by the cost of producing similar commodities by individual labor — constituted the share of the capitalist, his profit, and the objective of production. The new system did not spring up spontaneously and full-fledged; like feudalism, it was a growth, a development of existing forms. And just as chattel slavery lingered on after the rise of the feudal régime, so the old methods of individual production and direct exchange of commodities for personal use lingered on in places and isolated industries long after the rise of the system of wage-paid labor and production for profit. But the old methods of production and exchange gradually became rare and well-nigh obsolete. In accordance with the stern economic law that Marx afterward developed so clearly, the man whose methods of production, including his tools,

are less efficient and economical than those of his fellows, thereby making his labor more expensive, must either adapt himself to the new conditions or fall in the struggle which ensues. The triumph of the new system of capitalist production, with its far greater efficiency arising from associated production upon a plan of specialized division of labor, was, therefore, but a question of time. The class of wage-workers thus gradually increased in numbers; as men found that they were unable to compete with the new methods, they accepted the inevitable and adapted themselves to the new conditions.

CHAPTER V

CAPITALISM AND THE LAW OF CONCENTRATION

I

SUCH was the mode of the first stage of capitalistic production, in which a permanent wage-working class was formed, new and larger markets were developed, and production for sale and profit became the rule, instead of the exception as formerly when men produced primarily for use and sold only their surplus products. A new form of class division arose out of this economic soil. Instead of being bound to the land as the serfs had been, the wage-workers were bound to their tools. They were not bound to a single master, they were not branded on the cheek, but they were dependent upon the industrial lords. Thus it was that economic mastery gradually shifted from the land-owning class to the class of manufacturers. The political and social history of the Middle Ages is largely the record of the struggle for supremacy between these two classes. That is the central fact of the Protestant Reformation and of the Cromwellian Commonwealth.

The second stage of capitalism begins with the birth of the machine age; the great mechanical inventions of the latter half of the seventeenth century, and the resulting industrial revolution, the salient features of which we have already traced. That revolution centered in England, whose proud but, from all other points of view than the commercial, foolish boast for a full century it was to be the "workshop of the world." The new methods of production, and the development of trade with India and the colonies and the United States of America, providing a vast and apparently almost unlimited market, a tremendous rivalry was created among the people of England, tauntingly, but with less originality than bitterness, designated "a nation of shopkeepers" by Napoleon the First. Competition flourished, and commerce grew under its mighty urge. Quite naturally, therefore, competition came to be universally regarded as the "life of trade" and the one supreme law of progress by British economists and statesmen. The economic conditions of the time fostered a sturdy individualism on the one hand, which, on the other hand, they as surely destroyed; resulting in the paradox of a nation of theoretical individualists becoming, through its poor laws, and more especially its vast body of industrial legislation, a nation of practical collectivists.

The third and last stage of capitalism is charac-

terized by new forms of industrial administration and control. Concentration of industry, and the elimination of competition, are the distinguishing features of this stage. When, half a century ago, the Socialists predicted an era of industrial concentration and monopoly as the outcome of the competitive struggles of the time, their prophecies were mocked and derided. Yet, at this distance, it is easy to see what the Socialists were foresighted enough to foresee, that competition carried in its bosom the germs of its own inevitable destruction. In words which, as Professor Ely justly says,¹ seem to many, even non-Socialists, like a prophecy, Karl Marx argued more than half a century ago that the business units in production would continuously increase in magnitude, until at last monopoly emerged from the competitive struggle. This monopoly becoming a shackle upon the system under which it has grown up, and thus becoming incompatible with capitalist conditions, socialization must, according to Marx, naturally follow.²

II

With the last-named phase of the great Socialist's prediction we are not for the moment concerned.

¹ *Studies in the Evolution of Industrial Society*, by R. T. Ely, page 95.

² See *Capital*, English edition, page 789.

That the predicted growth of monopoly out of the competitive struggle has been abundantly realized is the important point for our present study. Notwithstanding the many controversies which have arisen, both within and without the ranks of the followers of Marx, it is generally conceded that the control of the means of production is being rapidly concentrated into the hands of small and smaller groups of capitalists. In recent years the increase in the number of industrial establishments has not kept pace with the increase in the number of workers employed, the increase of capital, or the value of the products manufactured. Not only do we find small groups of men controlling certain industries, but a selective process can be observed at work, giving to the same groups of men control of various industries otherwise utterly unrelated.

In the earlier stages of the movement toward concentration and trustification, it was possible to classify the leading capitalists according to the industries with which they were identified. One set of capitalists, "Oil Kings," controlled the oil industry; another set, "Steel Kings," controlled the iron and steel industry; another set, "Coal Barons," controlled the coal industry, and so on throughout the industrial and commercial life of the nation. To-day, all this has been changed. An examination of the *Directory of Directors* shows that the same men control varied

enterprises. The Oil King is at the same time a Steel King, a Coal Baron, a Railway Magnate, and so on. The men who comprise the Standard Oil group are found to control hundreds of other companies. They include in the scope of their directorate, banking, insurance, mining, real estate, railroad and steamship lines, gas companies, sugar, coffee, cotton, and tobacco companies, and a heterogeneous host of other concerns. Not only so, but these same men are large holders of foreign investments. In all the great European countries, as well as India, Australia, Africa, Asia, and the South American countries, they hold large investments, while foreign capitalists similarly, but to a much less extent, hold large investments in American companies. Thus, the concentration of industrial control, through its finance, has become interindustrial and is rapidly becoming international. In this way the predictions of the Socialists are becoming fulfilled.

III

During the last few years there have been many criticisms of the Marxian theory, aiming to show that this concentration has been, and is, much more apparent than real. Some of the most important of these criticisms have come from within the ranks of the Socialists themselves, and have been widely

exploited as portending the disintegration of the Socialist movement. *Inter alia* it may be remarked here that a certain fretfulness of temper characterizes most of the critics of the Socialist movement. Adherence to the teachings of Marx is pronounced by them to be a sign of the bondage of the movement and its intellectual leaders to the Marxian "fetish," and every recognition of the human fallibility of Marx by a Socialist thinker is hailed as a sure portent of a split among the Socialists. Yet the most serious criticisms of Marx have come from the ranks of his followers. It is perhaps only another sign of the intellectual bankruptcy of the academic opposition to Socialism that this should be so.

Of course, Marx was human and fallible. If *Capital* had never been written, there would still have been a Socialist movement; and if it could be destroyed by criticism, the Socialist movement would remain. Socialism is a product of economic conditions, not of a theory or a book. *Capital* is the intellectual explanation of Socialism, not its cause. Much more than their opponents, Socialists have recognized this, and it can be said with absolute confidence that they have been much more independent in their attitude toward the great work of Marx than most of their critics have been.

It cannot be fairly said that the sum of criticism has seriously affected the general Marxian theory.

So far as that criticism has touched the subject we are discussing, it has been almost pitifully weak, and the furore it has created seems almost pathetic. The main results of this criticism may be briefly summarized as follows: First, in industry, the persistence, and even increase, of petty industries; second, in agriculture, the failure of large-scale farming, and the decrease of the average farm acreage; third, in retail trade, the persistence of the small stores, despite the growth in size and number of the great department stores. At first sight, and stated in this manner, it would seem as if these conclusions, if justified by facts, involved a serious and far-reaching criticism of the Socialist theory of a universal tendency toward the concentration of industry and commerce into units of ever increasing magnitude.

Upon closer examination, however, these conclusions, their accuracy admitted, are seen to involve no very serious or damaging criticism of the Socialist theory. To the superficial observer, the mere increase in the number of industrial establishments appears a much more important matter than to the careful student, who is not easily deceived by appearances. The student sees that while petty industries undoubtedly do increase, the increase of large industries employing many more workers and much larger capitals is vastly greater. Furthermore, he sees what the superficial observer constantly over-

looks, that these petty industries are unstable and transient, being constantly absorbed by the larger industrial combinations, or crushed out of existence, as soon as they have obtained sufficient vitality to make them worthy of notice, either as tributaries to be desired or potential competitors to be feared. Petty industries in a very large number of cases represent a stage in social descent, the wreckage of larger industries whose owners are economically as poor as the ordinary wage-workers, or even poorer and more to be pitied. Where, on the contrary, it is a stage in social ascent, the petty industry is, paradoxical as the idea may appear, part of the process of industrial concentration. By independent gleaning, it endeavors to find sufficient business to maintain its existence. If it fails in this, its owner falls down to the proletarian level from which, in most instances, he arose. If it succeeds only to a degree sufficient to maintain its owner at or near the average wage-earner's level of comfort, it may pass unnoticed and unmolested. If, on the other hand, it gleans sufficient business to make it desirable as a tributary, or potentially dangerous as a competitor, the petty business is pounced upon by its mightier rival and either absorbed or crushed, according to the temper or need of the latter. Critics of the Marxian system have for the most part completely failed to recognize this significant aspect of the subject, and attached far too much importance to the continuance of petty industries.

IV

What is true of petty industry is true in even greater measure of retail trade. Nothing could well be further from the truth than the hasty generalizations of some critics, that an increase in the number of retail business establishments invalidates the Socialist theory of the concentration of capital. In the first place, many of these establishments have no independence whatsoever, but are merely agencies of larger enterprises. Mr. Macrosty¹ has shown that in London the cheap restaurants are in the hands of four or five firms, while much the same conditions exist in connection with the trade in milk and bread. Similar conditions prevail in almost all the large cities in this and most other countries. Single companies are known to control hundreds of saloons; restaurants, cigar stores, shoe stores, bake shops, coal depots, and a multitude of other businesses, are subject to like conditions, and it is doubtful whether, after all, there has been the real increase of individual ownership which Mr. Ghent concedes.² However that may be, it is certain that a very large number of the business establishments which figure as statistical units in the argument against the Socialist theory of the

¹ *The Growth of Monopoly in English Industry* (Fabian Tract), by H. W. Macrosty.

² *Our Benevolent Feudalism*, by W. J. Ghent, pages 17-21.

concentration of capital should be regarded as so many evidences in its favor.

A very large number, moreover, are really held by speculators, and serve only as a means of divesting prudent and thrifty artisans and others of their little savings. Whoever has lived in the poorer quarters of a great city, where small stores are most numerous, and has watched the changes constantly occurring in the stores of the neighborhood, will realize the significance of this observation. The present writer has known stores on the upper East Side of New York, where he for several years resided, change hands as many as six or seven times in a single year. What happened was generally this: A workingman having been thrown out of work, or forced to give up his work by reason of age, sickness, or accident, decided to attempt to make a living in "business." In a few weeks, or a few months at most, his small savings were swallowed up, and he had to leave the store, making way for the next victim. An acquaintance of the writer owns six tenement houses in different parts of New York City, the ground floors of which are occupied by small stores. These stores are rented out by the month just as other portions of the buildings are, and the owner, on going over his books for five years in response to an inquiry, found that the average duration of tenancy in them had been less than eight

months. Still, small stores do exist; they have not been put out of existence by the big department stores as was confidently expected at one time. They serve a real social need by supplying the minor commodities of everyday use in small quantities. Many of them are conducted by married women to supplement the earnings of their husbands, or by widows; others by men unable to work whose income from them is less than the wages of artisans. These, probably, constitute a majority of the small retail establishments which show any tendency to increase.

Thus reduced, the increase of small industries and retail establishments affects the contention that there is a general tendency to concentration exceedingly little. The effect is still further lessened when it is remembered that, except by ill-informed persons, the Marxian theory has never been understood to mean that all petty industry and business must disappear, that all the little industries and retail businesses must be concentrated into large ones, to make Socialism possible. Many of these would doubtless continue to exist under a Socialist régime. Kautsky, perhaps the ablest living exponent of the Marxian theories, admits this. He has very ably argued that the ripeness of society for social production and control depends, not upon the number of little industries that still remain,

but upon the number of great industries which already exist.¹ The ripeness of society for Socialism is not disproved by the number of ruins and relics abounding. "Without a developed great industry, Socialism is impossible," says this writer. "Where, however, a great industry exists to a considerable degree, it is easy for a Socialist society to *concentrate production, and to quickly rid itself of the little industry.*"² It is the increase of large industries, then, which Socialists regard as the essential preliminary condition of Socialism.

When we turn to agriculture, the criticisms of the Socialist theory of concentration appear more substantial and important. A few years ago we witnessed the rise and rapid growth of the great bonanza farms in this country. It was shown that the advantages of large capital and the consolidation of productive forces resulted, in farming as in manufacture, in greatly cheapened production.³ The end of the small farm was declared to be imminent, and it seemed for a while that concentration in agriculture would even outrun concentration in manufacture. This predicted absorption of the small

¹ *The Social Revolution*, by Karl Kautsky, Part I, page 144.

² *Idem.*

³ The cost of raising wheat in California, where large farming has been most scientifically developed, is said to vary from 92.5 cents per 100 pounds on farms of 1000 acres to 40 cents on farms of 50,000 acres.

farms by the larger, and the average increase of farm acreage, has not, however, been fulfilled to any great degree. An increase in the number of small farms, and a decrease in the average acreage, is shown in almost all the states. The increase of great estates shown by the census figures probably bears little or no relation to real farming, consisting mainly of great stock grazing ranches in the West, and unproductive gentlemen's estates in the East.

Apparently then, the Socialist theory of "the big fish eat up the little ones," is not applicable to agriculture. On the contrary, it seems that the great wheat ranch cannot compete with the smaller farm. It is therefore not surprising that writers so sympathetic to Socialism as Professor Werner Sombart, and Professor Richard T. Ely, should proclaim that the Marxian system breaks down when it reaches the sphere of agricultural industry, and that it appears to be applicable only to manufacture. That is the position which has been taken by a not inconsiderable body of Socialists in recent years. Nothing is more delusive than statistical argument of this kind, and while these conclusions should be given due weight, they should not be too hastily accepted. An examination of the statistical basis of the argument may not confirm the argument.

In the first place, small agricultural holdings do not necessarily imply economic independence any

more than do petty industries or businesses. When we examine the census figures carefully, the first important fact which challenges attention is the decrease of independent farm ownership, and a corresponding increase in tenantry. Of the 5,739,657 farms in the United States in the census year, 2,026,286 were operated by tenants. In 1880, 71.6 per cent of the farms in the United States were operated by their owners, while in 1900 the proportion had fallen to 64.7 per cent. Concerning the ownership of these rented farms little investigation has been made, and it is probable that careful inquiry into the subject would elicit the fact that this forms a not unimportant aspect of agricultural concentration, though it is not revealed by the census figures. So, too, with the mortgaged farm holdings. In 1890, the mortgaged indebtedness of the farmers of the United States amounted to the immense sum of \$1,085,995,960. Concerning the ownership of these mortgages also little accurate data has been gathered. It is well known that the great insurance, banking, and trust companies have many millions invested in them. Mr. A. M. Simons, to whose notable little book, *The American Farmer*,¹ I am indebted for much material, rightly regards this as "a form of concentration beside which that of the bonanza farms sinks into insignificance."

¹ *The American Farmer*, by A. M. Simons, page 120.

The truth is that industrial concentration may take other forms than the diminution of small industrial units, and their absorption or supercession by larger units. The sweated trades are a familiar example of this fact. Over and over it has been shown that while small establishments remain a necessary condition of sweated industry, there is generally a concentration of ownership and control. This is true in a large measure of the retail trades, and in even larger measure of agriculture. Manifestly, therefore, we need a more accurate definition of concentration than the one generally accepted. Mr. Simons, in the work already quoted, defines concentration as "a movement tending to give a continually diminishing minority of the persons engaged in any industry, a constantly increasing control over the essentials, and a continually increasing share of the total value of the returns of the industry."¹ It is no part of the purpose of this chapter to discuss the several conditions which Mr. Simons lays down in his definition of concentration, but to emphasize the fact that there are other forms of concentration than the physical one, the amalgamation of smaller units to form larger ones; and that concentration goes on often unperceived and unsuspected. There can be no doubt that there is a considerable tendency to the concentration of

¹ *The American Farmer*, page 97.

ownership and effective control in agricultural industry.

There is also a vast amount of concentration in agricultural production which is not generally recognized. Many branches of farming industry, as it was carried on by our fathers and their fathers before them, have been transferred from the farmhouse to the factory. Butter and cheese making, for example, have largely passed out of the farm kitchen into the factory. Not long ago, the writer stayed for some days at a large farm in the Middle West. The sound of a churn is never heard there, notwithstanding that it is a "dairy farm," and all the butter and cheese consumed in that household is bought at the village store. The invention of labor-saving machinery and its application to agriculture leads to the division of the industry and the absorption of the parts most influenced by the new processes by the factory. When we remember the tremendous rôle which complex mechanical agencies play in modern agricultural industry, the grain elevators, cold-storage houses, and even railroads, being part of the necessary equipment of production, we see the subject of concentration in agriculture in a new light. There is much concentration of production in agriculture though it may take the form of the absorption of some of its processes by factories instead of by other farms.

V

We must distinguish between the concentration of industry and the concentration of wealth. While there is a natural relation between these two phenomena, they are by no means identical. Trustification of a given industry may bring together a score of industrial units in one gigantic concern, so concentrating capital and production; but it is conceivable that every one of the owners of the units which compose the trust may have a share in it equal to the capital value of his particular unit, and far more profitable. In that case, there can obviously be no concentration of wealth. It may even happen that a larger number of persons participate, as shareholders, in the amalgamation than previously. Concentration of wealth may be very intimately and inextricably associated with concentration of capital, but it is not by any means the same thing. As Professor Ely says: "If the stock of the United States Steel Corporation were owned by individuals holding one share each, the concentration in industry would be just as great as it is now, but there would be a wide diffusion in the ownership of the wealth of the corporation."¹

Obvious as this distinction may seem, it is very

¹ *Studies in the Evolution of Industrial Society*, by Richard T. Ely, page 255.

often lost sight of, and when recognized, it presents difficulties which seem almost insurmountable. It is well-nigh impossible to present statistically the relation of the concentration of capital to the concentration or diffusion of wealth, important as the point is in its bearings upon modern Socialist theory. While the distinction does not affect the argument that the concentration of capital and industry makes their socialization possible, it is nevertheless an important fact. If, as some writers, notably Bernstein,¹ the Socialist, have argued, the concentration of capital and industry really leads to the decentralization of wealth, and the diffusion of the advantages of concentration among the great mass of the people, then, instead of creating a class of expropriators, ever becoming less numerous, and a class of proletarians, ever growing in numbers, the tendency of modern capitalism is to distribute the gains of industry over a widening area, a process of democratization, in fact. Obviously, if this contention is a correct one, there must be a softening rather than an intensifying of class antagonisms: a tendency away from class divisions, and to greater satisfaction with present conditions, rather than increasing discontent. If this theory can be sustained, the advocates of Socialism will be obliged

¹ *Die Voraussetzungen des Sozialismus*, by Edward Bernstein, page 47.

to change the nature of their propaganda, and cease appealing to the class interest of the proletariat because it has no existence in fact. There can be no validity in the theory of an increasing antagonism of classes, if the tendency of modern capitalism is to democratize the life of the world and diffuse its wealth over larger social areas than ever before.

The exponents of this theory have for the most part based their arguments upon statistical data relating to: (1) The number of taxable incomes in countries where incomes are taxed; (2) the number of investors in industrial and commercial companies; (3) the number of savings bank deposits. As often happens when reliance is placed upon the direct statistical method, the result of all the discussion and controversy upon this subject is extremely disappointing and confusing. The same figures are used to support both sides in the dispute with equal plausibility. The difficulty lies in the fact that the available statistics do not include all the facts essential to a scientific and conclusive result.

It is not my purpose in this little volume to add to the Babel of voices in this discussion, but to present the conclusions of two or three of the most careful investigators in this field. Professor Richard T. Ely¹ quotes a table of incomes in the Grand

¹ *Studies in the Evolution of Industrial Society*, by Richard T. Ely, pages 261-262.

Duchy of Baden, based on the income tax returns of that country, which has formed the theme of much dispute. The table shows that in the two years, 1886 and 1896, less than one per cent of the incomes assessed were over 10,000 marks a year, and from that fact it has been argued that wealth in that country has not been concentrated to any very great extent. In like manner, the French economist, Leroy Beaulieu, has argued that the fact that in 1896 only 2750 persons in Paris had incomes of over 100,000 francs a year betokens a wide diffusion of wealth and an absence of concentration.¹ But the important point of the discussion, the proportion of total wealth owned by these classes, is entirely lost sight of by those who argue in this way. In the figures for the Grand Duchy of Baden we have no particulars concerning the number and amount of incomes below 500 marks, but of the persons assessed upon incomes of 500 marks and over, in 1886, the poorest two thirds had about one third of the total assessed income, and the richest .69 of one per cent had 12.78 per cent of the total income. So far, the figures show a much greater concentration of wealth than appears from the simple fact that less than one per cent of the incomes assessed were over 10,000 marks a year. When we

¹ *Essai sur la répartition des richesses et sur la tendance à une moindre inégalité des conditions*, par Leroy Beaulieu, page 564.

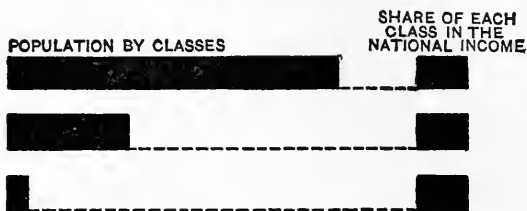
compare the two years, we find that this concentration increased during ten years as follows: In 1886, there were 2212 incomes of more than 10,000 marks assessed, being .69 of one per cent of the total number. In 1896, there were 3099 incomes of more than 10,000 marks assessed, being .78 of one per cent of the total number. In 1886, .69 of one per cent of the incomes assessed amounted to 51,403,000 marks, representing 12.77 per cent of the total incomes assessed, while in 1896, .78 of one per cent of the incomes assessed amounted to 81,986,000 marks, representing 15.02 per cent of the total incomes assessed. In 1886, there were 18 incomes of over 200,000 marks a year, aggregating 6,864,000 marks, 1.70 per cent of the total value of all incomes assessed; in 1896, there were 28 such incomes, aggregating 12,481,000 marks, or 2.29 per cent of the total value of all incomes assessed. The increase of concentration is not disputable.

According to the late Professor Richmond Mayo-Smith,¹ 70 per cent of the population of Prussia have incomes below the income tax standard, their total income representing only one third of the total income of the population. An additional one fourth of the population enjoys one third of the total income, while the remaining one third goes

¹ *Statistics and Economics*, by Richmond Mayo-Smith, Book III, Distribution.

to about 4 per cent of the people. The significance of these figures is clearly shown by the following diagram:—

DIAGRAM
SHOWING THE DISTRIBUTION OF INCOME BY CLASSES IN PRUSSIA



In Saxony the statistics show that “two thirds of the population possess less than one third of the income; and that 3.5 per cent of the upper incomes receive more than 66 per cent at the lower end.” From a table prepared by Sir Robert Giffen, a notoriously optimistic statistician, always the exponent of an ultra-roseate view of social conditions, Professor Mayo-Smith¹ concludes that in England, “about 10 per cent of the people receive nearly one half of the total income.”

In this country the absence of income tax figures makes it impossible to get direct statistical evidence as to the distribution of incomes. The most careful estimate of the distribution of wealth in the United

¹ *Statistics and Economics*, by Richmond Mayo-Smith, Book III, Distribution.

States yet made is that made by the late Dr. Charles B. Spahr.¹ In quoting Dr. Spahr's figures, however, I do not wish to be understood as accepting them as authoritative and conclusive. They are quoted simply as the conclusions reached by the most patient, conscientious, and scientific examination of the distribution of wealth in this country yet made. Dr. Spahr's conclusion is that less than one half of the families in the United States are propertyless; but that, nevertheless, seven eighths of the families own only one eighth of the national wealth, while 1 per cent of the families own more than the remaining 99 per cent. Professor Ely accepts the logic of the statistical data gathered in Europe and the United States, and says "such statistics as we have . . . all indicate a marked concentration of wealth, both in this country and Europe."²

The growth of immense private fortunes is an indisputable evidence of the concentration of wealth. In 1855, according to a list published in the *New York Sun*,³ there were only twenty-eight millionaires in the whole country, and a pamphlet published in Philadelphia ten years before that, in 1845, gave only ten estates valued at a million dollars or more. The richest of these estates was that of Stephen Girard,

¹ *The Present Distribution of Wealth in the United States*, by Charles B. Spahr (1896).

² *Studies in the Evolution of Industrial Society*, page 265.

³ Quoted by Cleveland Moffett in *Success*, January, 1906.

whose fortune was said to be \$7,000,000. To-day it is estimated that there are more than five thousand millionaires in the United States, New York City alone claiming upward of two thousand. Not only has the number of these immense fortunes grown, but the size of individual fortunes has enormously increased. Mr. John D. Rockefeller is credited by some of the most conservative financial experts in the country with the possession of a fortune amounting to a billion dollars, a sum too vast to be comprehended. Mr. Waldron estimates that one twentieth of the families in the United States are receiving "one-third of the nation's annual income, and are able to absorb nearly two thirds of the annual increase made in the wealth of the nation."¹ To the unbiased observer, nothing is more strikingly evident than the concentration of wealth in the United States during the past few years.

VI

Summing up, we may state the argument of this chapter very briefly as follows: The Socialist theory is that competition is self-destructive, and that the inevitable result of the competitive process is to produce monopoly, either through the crushing of the weak by the strong, or the combination of units

¹ *Currency and Wealth*, by George S. Waldron, page 102.

as a result of a conscious recognition of the wastes of competition and the advantages of coöperation. The law of capitalist development, therefore, is from competition and division to combination and concentration. As this concentration proceeds, a large class of proletarians is formed on the one hand and a small class of capitalist lords on the other, an essential antagonism of interests existing between the two classes. While Socialism does not preclude the continued existence of small private industry or business, it does require and depend upon the development of a large body of concentrated industry; monopolies which can be consciously transformed into social monopolies, whenever the people so decide.

The interindustrial and international trustification of industry and commerce shows a remarkable fulfillment of the law of capitalist concentration which the Socialists were the first to formulate; the existence of petty industries and businesses, or their increase even, being a relatively insignificant matter compared with the enormous increase in large industries and businesses. In agriculture, concentration, while it does not proceed so rapidly or directly as in manufacture and commerce, and while it takes directions unforeseen by the Socialists, proceeds surely nevertheless. Along with this concentration of capital and industry proceeds

the concentration of wealth into proportionately fewer hands. While a certain diffusion of wealth takes place through the mechanism of industrial concentration which affords numerous small investors an opportunity to own shares in great industrial and commercial corporations, it is not sufficient to balance the expropriation which goes on in the competitive struggle, and it is true that a larger proportion of the national wealth is owned by a minority of the population than ever before, that minority being proportionately less numerous than ever before.

Whatever defects there may be in the Marxian theory, and whatever modifications of it may be rendered necessary by changed conditions, it is perfectly certain that in its main and essential features it has successfully withstood all the criticisms which have been directed against it. Economic literature is full of prophecies, but in its whole range there is not an instance of prophecy more literally fulfilled than that which Marx made concerning the mode of capitalist development. And Karl Marx was not a prophet — he but read clearly the meaning of certain facts which others could not read; the law of social dynamics. That is not prophecy, but science.

CHAPTER VI

THE CLASS STRUGGLE THEORY

I

THERE is probably no part of the theory of modern Socialism which has called forth so much criticism and opposition as the doctrine of the class struggle. Many who are otherwise sympathetic to Socialism denounce this doctrine as narrow, brutal, and productive of antisocialistic feelings of class hatred. Upon all hands the doctrine is denounced as an un-American appeal to passion, and a wild exaggeration of social conditions. The insistence of Socialists upon this aspect of their propaganda is probably responsible for keeping as many people outside their ranks as are at the present time identified with their movement. In other words, if the Socialists would repudiate the doctrine that Socialism is a class movement, and make their appeal to the intelligence and conscience of all, instead of to the interests of a class, they could probably double their numerical strength at once. To many, therefore, it

seems a fatuous and quixotic policy to preach such a doctrine, and it is very commonly ascribed to the peculiar intellectual and moral myopia of fanaticism.

Before accepting such a conclusion, the reader is in duty bound to consider the Socialist side of the argument. There is no greater fanaticism, after all, than that which condemns what it does not take the trouble to understand. The Socialists claim that the doctrine is misrepresented; that it does not produce class hatred; and that it is a pivotal and vital point of Socialist philosophy. The class struggle is a law, they say, of social development. We only recognize the law, and are no more responsible for its existence than Newton was responsible for the law of gravitation. We know that there were class struggles thousands of years before there was a Socialist movement, and it is therefore absurd to charge us with the creation of class antagonisms and class hatred. We realize perfectly well that if we would ignore this law in our propaganda, and make our appeal to a universal sense of abstract justice and truth, many who now hold aloof from us would join our movement. But we should not gain strength as a result of their accession to our ranks. We should be obliged to emasculate Socialism, to dilute it, in order to win a support of questionable value. And history teems

with examples of the disaster which inevitably attends such a course. We should be quixotic and fatuous indeed if we attempted anything of the kind.

The class struggle theory is part of the economic interpretation of history. Since the dissolution of primitive tribal society, the modes of economic production and exchange have inevitably grouped men into economic classes. The theory is thus stated by Engels in the Introduction to the *Communist Manifesto*:—

“In every historical epoch, the prevailing mode of economic production and exchange, and the social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch; and, consequently, the whole history of mankind (since the dissolution of primitive society, holding land in common ownership) has been a history of class struggles, contests between exploiting and exploited, ruling and oppressed classes; that the history of these class struggles forms a series of evolution in which, nowadays, a stage has been reached, where the exploited and oppressed class — the proletariat — cannot attain its emancipation from the sway of the exploiting and ruling class — the bourgeoisie — without, at the same time, and once for all, emancipating society at large

from all exploitation, oppression, class distinction, and class struggles.”¹

In this classic statement of the theory, there are several fundamental propositions. First, that class divisions and class struggles arise out of the economic foundations of society. Second, that since the dissolution of primitive tribal society, which was communistic in character, mankind has been divided into economic groups or classes, and all its history has been a history of struggles between these classes, ruling and ruled, exploiting and exploited, being forever at war with each other. Third, that the different epochs in human history, stages in the evolution of society, have been characterized by the interests of the ruling class. Fourth, that a stage has now been reached in the evolution of society, where the struggle assumes a form which makes it impossible for class distinctions and class struggles to continue if the exploited and oppressed class, the proletariat, succeeds in emancipating itself. In other words, the cycle of class struggles which began with the dissolution of rude, tribal communism, and the rise of private property, ends with the passing of private property in the means of social existence and the rise of Socialism. The proletariat in emancipating itself destroys all the conditions of class rule.

¹ The *Communist Manifesto*, Kerr edition, page 8.

II

As we have already seen, slavery is historically the first system of class division which presents itself. Some ingenious writers have endeavored to trace the origin of slavery to the institution of the family, the children being the slaves. It is fairly certain, however, that slavery originated in conquest. When a tribe was conquered and enslaved by some more powerful tribe, all the members of the vanquished tribe sunk to one common level of degradation and servility. Their exploitation as laborers was the principal object of their enslavement, and their labor admitted of little gradation. It is easy to see the fundamental class antagonisms which characterized slavery. Had there been no uprisings of the slaves, no active and conscious struggle against their masters, the antagonism of interests between them and their masters would be none the less apparent. But the overthrow of slavery was not the result of the rebellions and struggles of the slaves. While these undoubtedly helped, the principal factors in the overthrow of chattel slavery as the economic foundation of society were the disintegration of the system to the point of bankruptcy, and the rise of a new, and sometimes, as in the case of Rome, alien ruling class.

The class divisions of feudal society are not less

obvious than those of chattel slavery. The main division, the widest gulf, divided the feudal lord and the serf. Often as brutally ill-treated as their slave-chattel forefathers had been, the feudal serfs from time to time made abortive struggles. The class distinctions of feudalism were constant, but the struggles between the lords and the serfs were sporadic, and of little moment, just as the risings of their slave forefathers had been. But alongside of the feudal estate there existed another class, the free handicraftsmen and peasants, the former organized into powerful guilds. It was this class which was to challenge the rule of the feudal nobility, and wage war upon it. As the feudal ruling class was a landed class, so the class represented by the guilds became a moneyed and commercial class, the pioneers of our modern capitalist class. As Mr. Brooks Adams¹ has shown very clearly, it was this moneyed, commercial class, which gave to the king the instrument for weakening and finally overthrowing feudalism. It was this class which built up the cities and towns from which was drawn the revenue for the maintenance of a standing army. The capitalist class triumphed over the feudal nobility and its interests became the dominant interests in society. Capitalism effectually de-

¹ In *Centralization and the Law: Scientific Legal Education. An Illustration.* Edited by Melville M. Bigelow.

stroyed all the institutions of feudalism which obstructed its progress, leaving only those which were innocuous and to be safely ignored.

In capitalist society, the main class division is that which separates the employing, wage-paying class from the employed, wage-receiving class. Notwithstanding all the elaborate arguments made to prove the contrary, the frequently heard myth that the interests of Capital and Labor are identical, and the existence of pacificatory associations based upon that myth, there is no fact in the whole range of social phenomena more self-evident than the existence of an inherent, fundamental antagonism in the relationship of employer and employee. As individuals, in all other relations, they may have a commonality of interests, but as employer and employee they are fundamentally and necessarily opposed. They may belong to the same church, and so have religious interests in common; they may have common racial interests, as, for instance, if negroes, in protecting themselves against the attacks of the author of *The Clansman*, or, if Jews, in opposing anti-Semitic movements; as citizens they may have the same civic interests, be equally opposed to graft in the city government, or equally interested in the adoption of wise sanitary precautions against epidemics. They may even have a common industrial interest in the general sense that

they may be equally interested in the development of the industry in which they are engaged, and fear, equally, the results of a depression in trade. But in their special relations as employer and employee they have antithetical interests.

The interest of the wage-worker, as wage-worker, is to receive the largest wage possible for the least number of hours spent in labor. The interest of the employer, as employer, on the other hand, is to secure from the worker as many hours of service, as much labor power, as possible for the lowest wage which the worker can be induced to accept. The workers employed in a factory may be divided by a hundred different forces. They may be divided by racial differences, for instance; but while preserving those differences in a large measure, they will tend to unite upon the question of their immediate economic interest. Some of our great labor unions, notably the United Mine Workers,¹ afford remarkable illustrations of this fact. If the division is caused by religious differences, the same unanimity of economic interests will sooner or later be developed. With the employers it is the same. They, too, may be divided by a hundred forces; the competition among them may be keen and fierce, but common economic interest will tend to unite

¹ See, for instance, *The Coal Mine Workers*, by Frank Julian Warne, Ph.D. (1905).

them. Racial, religious, social, and other divisions may be maintained as before, but they will, in general, unite for the protection and furtherance of their common economic interests.

That individual workers and employers will be found who do not recognize their class interests is true, but that fact by no means invalidates the contention that, in general, men will recognize and unite upon a basis of common class interests. In both classes are to be found individuals who attach greater importance to the preservation of racial, religious, or social, rather than economic, interests. But because the economic interest is fundamental, involving the very basis of life, the question of food, clothing, shelter, and comfort, these individuals are and must be exceptions to the general rule. Workers sink their racial and religious differences and unite to secure better wages, a reduction of the hours of labor, and better conditions in general. Employers, similarly, unite to oppose whatever may threaten their class interests, without regard to other relationships. The Gentile employer who is himself an anti-Semite has no qualms of conscience about employing Jewish workmen, at low wages, to compete with Gentile workers; he does not object to joining with Jewish employers in an Employers' Association, if thereby his economic interests may be safeguarded. And the Jewish employer,

likewise, has no objection to joining with the Gentile employer for mutual protection, or to the employment of Gentile workers to fill the places of his employees, members of his own race, who have gone out on strike for higher wages.

III

The class struggle, therefore, presents itself in the present stage of social development as a conflict between the wage-paying and the wage-paid classes. That is the dominating and all-absorbing conflict of the age in which we live. True, there are other class interests more or less involved. There are the indefinite, inchoate, vague, and uncertain interests of that large, so-called middle class, composed of farmers, retailers, professional men, and so on. The interests of this large class are not, and cannot be, as definitely defined. They vacillate, conforming now to the interests of the wage-workers, now to the interests of the employers. The farmer, for instance, may oppose an increase in the wages of farm laborers, because that touches him directly as an employer. His attitude is that of the capitalist class as a whole upon that question. At the same time, he may be heartily in favor of an increase of wages to miners, carpenters, bricklayers, shoemakers, printers, painters, factory workers, and

non-agricultural workers in general, for the reason that while a general rise of wages, resulting in a general rise in prices, will affect him slightly as a consumer, it will benefit him much more as a seller of the products of his farm. In short, consciously sometimes, but unconsciously oftener still, personal or class interests control our thoughts, opinions, beliefs, and actions.

This does not mean that men are never actuated by other than selfish motives; that a sordid materialism is the only motive force at work in the world. In general, class interests and personal interests coincide, but there are certainly occasions when they conflict. Many an employer, having no quarrel with his employees, and confident that he personally will be the loser thereby, joins in a fight upon labor unions because he is conscious that the interests of his class are involved. In a similar way, workingmen enter upon sympathetic strikes, consciously, at an immediate loss to themselves, because they place class loyalty before personal gain. It is significant of class feeling and temper that when employers act in this manner, and lock out employees with whom they have no trouble, simply to help other employers to win their battles, they are applauded by the very newspapers which denounce the workers whenever they adopt a like policy. It is also true that there are individuals in both classes

who never become conscious of their class interests, and steadfastly refuse to join with their fellows. The workman who refuses to join a union, or who "scabs" when his fellow-workers go out on strike, may act from ignorance or from sheer selfishness and greed. His action may be due to his placing personal interest before the larger interest of his class, or from being too short-sighted to see that ultimately his own interests must merge in those of his class. Many an employer, on the other hand, may refuse to join in any concerted action of his class for either of these reasons, or he may even rise superior to his personal and class interests and support the workers because he believes in the justice of their cause, realizing perfectly well that their gain means loss to him or to his class.¹

The influence of class environment upon men's beliefs and ideals is a subject which our most voluminous ethicists have scarcely touched upon as yet. It is a commonplace saying that each age has its own standards of right and wrong, but little effort has been made, if we except the Socialists,² to trace this fact to its source, to the economic conditions

¹ This ought to be a sufficient answer to those shallow critics who think that they dispose of the class struggle theory of modern Socialism by enumerating those of its leading exponents who do not belong to the proletariat.

² Mr. Ghent's excellent work, *Mass and Class*, is perhaps the best work extant on the subject from the Socialist viewpoint.

prevailing in the different ages. Still less effort has been made to account for the different standards held by the different social classes at the same time, and by which each class judges the other. In our own day the idea of slavery is generally held in abhorrence. There was a time, however, when it was universally looked upon as a divine institution, alike by slaveholder and slave. It is simply impossible to account for this complete revolution of feeling upon any other hypothesis than that slave labor then seemed absolutely essential to the life of the world. The slave lords of antiquity, the feudal lords of mediæval times, and, more recently, the Southern slaveholders in our own country, all believed that slavery was eternally right. When the slaves took an opposite view and rebelled, they were believed to be in rebellion against God and nature. The Church represented the same view just as vigorously as it now opposes it. The slave owners who held slavery to be a divine institution, and the priests and ministers who supported them, were just as honest and sincere in their belief as we are in holding antagonistic beliefs to-day.

What was accounted a virtue in the slave, was accounted a vice in the slaveholder. Cowardice and a cringing humility were not regarded as faults in a slave. On the contrary, they were the stock virtues of the pattern slave, and added to the esti-

mation in which he was held, just as similar traits are valued in personal servants — butlers, valets, footmen, and similar flunkies — in our own day. But similar traits in the feudal baron, the Southern slaveholder, or the “gentleman” of to-day, would be regarded as terrible faults. As Mr. Algernon Lee very tersely puts it, “The slave was not a slave because of his slavish ideals and beliefs; the slave was slavish in his ideals and beliefs because he lived the life of a slave.”¹

IV

To-day we find a similar divergence of ethical standards. What the laborers regard as wrong, the employers regard as absolutely and immutably right. The actions of the workers in forming unions and compelling unwilling members of their own class to join them, even resorting to the bitter expedient of striking against them with a view to starving them into submission, seem terribly oppressive and unjust to the employers and the class to which the employers belong. To the workers themselves, on the other hand, such actions have all the sanctions of conscience. Similarly, many actions of the employers, in which they themselves see no

¹ *The Worker*, March 25, 1905.

wrong, seem almost incomprehensibly wicked to the workers.

Leaving aside the wholesale fraud of our ordinary commercial advertisements, the shameful adulteration of goods, and a multitude of other such nefarious practices, it is at once interesting and instructive to compare the employers' denunciations of the "outrageous infringement of personal liberty," when the "oppressor" is a labor union, with some of their everyday practices. The same employers who loudly, and quite sincerely, condemn the members of a union who endeavor to bring about the discharge of a fellow-worker because he declines to join their organization, have no scruples of conscience about discharging a worker simply because he belongs to a union, and effectually "blacklisting" him so that it becomes almost or quite impossible for him to obtain employment at his trade elsewhere. While loudly declaiming against the "conspiracy" of the workers to raise wages, they see no wrong in an "agreement" of manufacturers or mine owners to reduce wages. If the members of a labor union should break the law, especially if they should commit an act of violence during a strike, the organs of capitalist opinion teem with denunciation, but there is no breath of condemnation for the outrages committed by employers or their agents against union men.

During the great anthracite coal strike of 1903, and again during the disturbances in Colorado in 1904, it was evident to every fair-minded observer that the mine owners were at least quite as lawless and violent as the strikers. But there was hardly a scintilla of adverse comment upon the mine owners' lawlessness in the organs of capitalist opinion, while they poured forth torrents of righteous indignation at the lawlessness of the miners. When labor leaders, like the late Sam Parks, for example, are accused of extortion and receiving bribes, the employers and their retainers, through pulpit, press, and every other avenue of public opinion, denounce the culprit, the bribe taker, in unmeasured terms — but the bribe giver is excused, or, at worst, lightly criticised. These are but a few common illustrations of class conscience. Any careful observer will be able to add almost indefinitely to the number.

It would be perfectly easy to compile a large catalogue of such examples as these from the actual happenings of the past few years — sufficient to convince the most skeptical that class interests do produce a class conscience. Mr. Ghent aptly expresses a profound truth when he says: "There is a spiritual alchemy which transmutes the base metal of self-interest into the gold of conscience; the transmutation is real, and the resulting frame of mind is not hypocrisy, but conscience. It is a class con-

science, and therefore partial and imperfect, having little to do with absolute ethics. But partial and imperfect as it is, it is generally sincere." ¹ No better test of the truth of this can be made than by reading carefully for a few weeks the comments of half a dozen representative newspapers, and of an equal number of representative labor papers, upon current events. The antithetical nature of their judgments of men and events demonstrates the existence of a distinct class conscience. It cannot be interpreted in any other way.

V

A great many people, while admitting the important rôle class struggles have played in the progressive development of the race, strenuously deny the existence of classes in the United States. They freely admit the class divisions and struggles of the Old World, but they deny that a similar class antagonism exists in this country; they fondly believe the United States to be a glorious exception to the rule, and regard the claim that classes exist here as falsehood and treason. The Socialists are forever being accused of seeking to apply to American life judgments based upon European facts and conditions. It is easy to visualize the class divisions

¹ *Mass and Class*, page 101.

existing in monarchical countries, where there are hereditary ruling classes — even though these are only nominal ruling classes in most cases — fixed by law. But it is not so easy to recognize the fact that, even in these countries, the power is held by the financial and industrial lords, and not by the kings and their titular nobility. The absence of a hereditary, titular ruling class serves to hide the real class divisions existing in this country from many people.

Nevertheless, there is a perceptible growth of uneasiness and unrest; a widening and deepening conviction that while we may retain the outward forms of democracy, and shout its shibboleths with patriotic fervor, its essentials are lacking. The feeling spreads, even in the most conservative circles, that we are developing, or have already developed, a distinct ruling class. The anomaly of a ruling class without legal sanction or titular prestige has seized upon the popular mind; titles have been created for our great “untitled nobility” — mock titles, which have speedily assumed a serious import and meaning. Our financial “Kings,” industrial “Lords,” “Barons,” and so on, have received their crowns and patents of nobility from the populace. President Roosevelt gives expression to the feelings of a great mass of our most conservative citizenry when he says: “In the past, the most dire-

ful among the influences which have brought about the downfall of republics has ever been the growth of the class spirit. . . . If such a spirit grows up in this republic, it will ultimately prove fatal to us, as in the past it has proven fatal to every community in which it has become dominant.”¹

With the exception of the chattel slaves, we have had no hereditary class in this country with a legally fixed status. But

“Man is more than constitutions,”

and there are other laws than those formulated in senates and recorded in statute books. The vast concentration of industry and wealth, resulting in immense fortunes on the one hand, and terrible poverty on the other, has separated the two classes by a chasm as deep and wide as ever yawned between czar and moujik, kaiser and vagrant, prince and pauper, feudal baron and serf. The immensity of the power and wealth thus concentrated into the hands of the few, to be inherited by their sons and daughters, tends to establish this class division hereditarily. Heretofore, passage from the lower class to the class above has been easy, and it has blinded people to the existing class antagonisms, though, as Mr. Ghent justly observes, it should no more be taken to disprove the existence of classes than the

¹ *Message to Congress, January, 1906.*

fact that so many thousands of Germans come to this country to settle is taken to disprove the existence of the German Empire.¹

But passage from the lower class to the upper tends to become, if not absolutely impossible and unthinkable, as difficult and rare as the transition from pauperism to princedom in the Old World is. A romantic European princess may marry a penurious coachman, and so provide the world with a nine days' sensation, but such instances are no rarer in the royal circles of Europe than in our own pluto-aristocratic court circles. Has there ever been a king in modern times with anything like the power of Mr. Rockefeller? Is any feature of royal recognition withheld from Mr. Morgan when he goes abroad in state, an uncrowned king, fraternizing with crowned but envious fellow-kings? The existence of classes in America to-day is as evident as the existence of America itself.

VI

Antagonisms of class interests have always existed, even though not clearly recognized. It is only the consciousness of their existence, and the struggle produced by that consciousness, that are new. As we suddenly become aware of the pain and

¹ *Mass and Class*, page 53.

ravages of disease, when we have not felt or heeded its premonitory symptoms, so, having neglected the fundamental class divisions of society, the bitterness of the strife resulting therefrom shocks and alarms us. So long as it is possible for the stronger and more ambitious members of an inferior class to rise out of that class and join the ranks of the superior class, so long will the struggle which ensues as the natural outgrowth of opposing interests be postponed.

Until quite recently, in the United States, this has been possible. Transition from the status of worker to that of capitalist has been easy. But with the era of concentration and the immense capitals required for industrial enterprise these transitions become fewer and more difficult, and class lines thus tend to become permanently fixed. The stronger and more ambitious members of the lower class, finding it impossible to rise into the class above, thus become impressed with a consciousness of their class status. The average worker no longer dreams of himself becoming an employer after a few years of industry and thrift. The ambitious and aggressive few no longer look with the contempt of the strong for the weak upon their less aggressive fellow-workers, but become leaders, preachers of a significant and admittedly dangerous gospel of class consciousness.

When the preachers are wise and sufficiently educated to see their position in its historical perspective, there is no class hatred engendered in the sense of a personal hatred for the capitalist on the part of the worker. But when that wisdom and education are lacking, personal hate and bitterness naturally result. The Socialists, accused as they are of seeking to stir up hatred and strife, by placing the class struggle in its proper place as one of the great social dynamic forces, have done and are doing more to allay hatred and bitterness of feeling, to save the world from the red curse of anarchistic vengeance, than any other body of people in the world. The Socialist movement is vastly more powerful as a force against the peril of Anarchism than all the religious agencies of the world combined. Wherever, as in Germany, for example, the Socialist movement is strong, Anarchism is impotent and weak. The reason for this is the very obvious one here given.

VII

Nowhere in the world, at any time in its history, has the alignment of classes been more evident than it is in the United States at the present time. With an average of over a thousand strikes a year,¹ some

¹ Vide *War of the Classes*, by Jack London, page 17.

of them involving, directly, tens of thousands of producers, a few capitalists, and millions of non-combatants, consumers; with strikes, boycotts, lockouts, injunctions, and all the other incidents of organized class strife reported daily by the newspapers, denials of the existence of classes, or of the struggle between them, are manifestly absurd. We have, on the one hand, organizations of workers, labor unions, with a membership of something over 2,000,000 in the United States; one organization alone, the American Federation of Labor, having an affiliated membership of 1,700,000. On the other hand, we have organizations of employers, formed for the expressed purpose of fighting the labor unions, of which the National Association of Manufacturers is the most perfect type yet evolved.

While the leaders on both sides frequently deny that their organizations betoken the existence of a far-reaching fundamental class conflict, and, through ostensibly pacificatory organizations like the National Civic Federation, proclaim the "essential identity of interests between capital and labor"; while an intelligent and earnest labor leader like Mr. John Mitchell joins with an astute capitalist leader like the late Senator Marcus A. Hanna in declaring that "there is no necessary hostility between labor and capital," that there is no "necessary, fundamental antagonism between the laborer and the capi-

talist,"¹ a brief study of the constitutions of these class organizations and their published reports, in conjunction with the history of the labor struggle in the United States, in which the names of Cœur de Alene, Homestead, Hazelton, and Cripple Creek appear in bloody letters, will show these denials to be the offspring of hypocrisy or delusion. If this much-talked-of unity of interests is anything but a stupid fiction, the great and ever increasing strife is only a question of mutual misunderstanding. All that is necessary to secure permanent peace is to remove that misunderstanding. If we believe this, it is a sad commentary upon human limitations, upon man's failure to understand his own life, that not a single person on either side has arisen with sufficient intelligence and breadth of view to state the relations of the two classes with clarity and force enough to accomplish that end.

Let us get down to fundamentals, to bottom principles.² Why do men organize? Why was the first union started? Why do men pay out of their hard-earned wages to support unions now? The first union was not started because the men who started it did not understand their employers, or because they were misunderstood by their employers.

¹ *Organized Labor*, by John Mitchell, page ix.

² The remainder of this chapter is largely reproduced from my little pamphlet, *Shall the Unions go into Politics?*

The explanation involves a deeper insight into things than that. The facts were somewhat as follows: When the individual workingman, feeling that out of his labor, and the labor of his fellows, came the wealth and luxury of his employer, demanded higher wages, a reduction of his hours of labor, or better conditions in general, he was met with a reply from his employer — who understood the workingman's position very well, much better, in fact, than the workingman himself did — something like this, "If you don't like this job, and my terms, you can quit; there are plenty of others outside ready to take your place." The workingman and the employer, then, understood each other perfectly. The employer understood the position of the worker, that he was dependent upon him, the employer, for opportunity to earn his bread. The worker understood that so long as the employer could discharge him and fill his place with another, he was powerless. The combat between the workers and the masters of their bread has from the first been an unequal one.

Nothing remained for the individual workingman but to join his fellows in a collective and united effort. So organizations of workers appeared, and the employers could not treat the matter as lightly as before when the workers demanded higher wages or other improvements in their conditions. The workers, when they organized, could take advantage

of the fact that there were no organizations of the employers. Every strike added to the ordinary terrors of the competitive struggle for the employers. The manufacturer whose men threatened to strike often surrendered because he feared most of all that his trade, in the event of a suspension of work, would be snatched by his rival in business, and so, by playing upon the inherent weakness of the competitive system as it affected the employers, the workers gained many substantial advantages. There is no doubt whatsoever that under these conditions the wage-workers got better wages, better working conditions, and a reduction of the hours of labor. It was, in many ways, the golden age of organized labor. But there was an important limitation of the workers' power — the unions could not absorb the man outside; they could not provide all the workers with employment. That is the essential condition of capitalist industry, there is always the "reserve army of the unemployed," to use the expressive phrase of Friedrich Engels. Rare indeed are the times when all the available workers in any given industry are employed, and the time has probably never yet been when all the available workers in all industries were employed.

Notwithstanding this important limitation of power, it is incontrovertible that the workers were benefited by their organization to no small extent. But only for a time. There came a time when the employers

began to organize unions also. That they called their organizations by other and high-sounding names does not alter the fact that they were in reality unions formed to combat the unions which the workers had formed. Every employers' association is, in reality, a union of the men who employ labor against the unions of the men they employ. When the organized workers went to individual, unorganized employers, who feared their rivals more than they feared the workers, or, rather, who feared the workers most of all because rivals waited to snatch their trade, because a strike made their employees allies with their competitors, the employers were afraid, naturally, to resist. The workers could play one employer against the other with constant success. But when the employers also organized, it was different. Then the individual employer, freed from the worst of his terrors, could say, "Do your worst. I, too, am in an organization." Then it became a battle betwixt organized capital and organized labor. When the workers went on strike in one shop or factory, depending for support upon their brother unionists employed in other shops or factories, the employers of these latter locked them out, thus cutting off the financial supplies of the strikers. In other cases, when the workers in one place went out on strike, the employer got his work done through other employers by the very fellow-members upon whom

the strikers were depending for support. Thus the workers were compelled to face this dilemma, either to withdraw these men, thus cutting off their means of support, or to be beaten by their fellow-members.

Under these changed conditions, the workers were beaten time after time. It was a case of the worker's cupboard against the master's warehouse, purse against bank account, poverty against wealth. How slight the workers' chances are in such a combat! A strike means that the workers on one side, and the employers on the other, seek to tire each other out by waiting. More truthfully, perhaps, it might be said that they seek to force each other by waiting patiently to see who first feels the pinch of hardship and poverty. Employers and employees determine to play the waiting game. Each waits patiently in the hope that the other will weaken. At last one — most often the workers' — side weakens and gives up the struggle. When the workers are thus beaten in a strike, they are not convinced that their demands are unreasonable or unjust; they are simply beaten at the waiting game because their resources are too small to enable them to withstand the struggle.

When the master class, the masters of jobs and bread, organized their forces, they set narrow and sharp boundaries to the power of labor organizations. Henceforth the chances of victory were overwhelm-

ingly on the side of the employers. The workers have since learned by bitter and costly experience that they are unable to play the individual employer's interests against other employers' interests. And the employers own the means of life. Meantime, too, they have learned that they are not only exploited as producers, but also as buyers, as consumers. Because they are consumers, almost to the last penny of their incomes, having to spend almost every penny earned, that form of exploitation becomes a serious matter. But against this exploitation the unions have ever been absolutely powerless. Workingmen have never made any very serious attempt to protect the purchasing capacity of their wages, notwithstanding its tremendous importance. The result has been that not a few of the "victories" so dearly won by trade union action have turned out to be hollow mockeries. When they have succeeded in getting a little better wages, prices have often gone up, most often in point of fact, so that the net result has been little to their advantage. In many cases, where the advance in wages applied only to a restricted number of trades, the advance in prices becoming general, the total result has been against the working class as a whole, and little or nothing to the advantage of the few who received the advance in immediate wages. At this point, the need of a social revolution is felt, which shall give to the workers

the control of the implements of labor, and also the full control of the product of their labor. In other words, the demand arises for independent, working-class action, aiming at the socialization of the means of production and the things produced.

VIII

A line of cleavage thus presents itself between those, on the one hand, who would continue the old methods of economic warfare, together with the advocates of a revolution of physical force, and, on the other hand, the advocates of united political action on the part of the working class, consciously directed toward the socialization of industry and its products. The 400,000 odd Socialist votes in the United States, in 1904, represented the measure of the crystallization of this latter force, and whoever has studied the labor movement during the past few years must have realized that there is a tremendous drift of sentiment in that direction in the labor unions of the country. The clamor for political action in the labor unions presages an enormous advance of the political Socialist movement during the next few years

The struggle between capital and labor thus promises to resolve itself into a political issue, the greatest political issue of history. This will not be

due so much to the propaganda of the Socialists, it is safe to say, as to the action of the employers themselves. They have taken the struggle into the political arena to suit their own immediate advantages, and when the workers realize the issue and accept it, the capitalists will not be able to thwart them. One is reminded of the saying of Marx that capitalism produces its own gravediggers. In taking the industrial issue into the political arena, the capitalists were destined to reveal to the workers, sooner or later, their power and duty.

Realizing that all the forces of government are on their side, the legislative, judicial, and executive powers being controlled by their own class, the employers have made the fight against labor political as well as economic in its character. When the workers have gone on strike and the employers have not cared to play the "waiting game," choosing rather to avail themselves of the great reserve army of the unemployed workers outside, the natural resentment of the strikers, finding themselves in danger of being beaten by members of their own class, has led to violence which has been remorselessly suppressed by all the police and military forces at the command of the government. In many instances, the employers have themselves purposely provoked striking workmen to violence, and then called upon the government to crush the revolt thus made. Workers

have thus been shot down at the shambles in almost every state of the Union, no matter which political party has been in power. Nor have these forces of our class government been used merely to punish lawless union men and women on strike, to "uphold the sacred majesty of the law," as the hypocritical phrase goes. As a matter of fact, they have been used to deny strikers the rights which belonged to them, and to protect capitalists and their agents in breaking the laws. No one can read with anything like an impartial spirit the records of the miners' strike in the Cœur de Alene mine, Idaho, or the *Senate Report on the Labor Disturbances in Colorado from 1880 to 1904*, and dispute this assertion.

More important still, the workers have had to face the powerful opposition of the makers and interpreters of the law. A body of class legislation, in the interests of the employing class, has been created, while the workers have begged in vain for protective legislation. There is no country in the world in which the interests of the workers have been so neglected as in the United States. There is practically no such thing as employers' liability for accidents to the workers; there is no legislation worthy of mention relating to the occupations which have been classified as "dangerous" in most industrially developed countries; women workers are sadly neglected. Whenever a law is passed of distinct advan-

tage to the workers, a servile judiciary has been ready to render it null and void by declaring it to be unconstitutional. No more powerful blows have ever been directed against the workers than those which have been directed by the judiciary. Injunction upon injunction has been issued, robbing the workers of the most elemental rights of manhood and citizenship. They have forbidden what the Constitution and statute law declare to be legal.

Mr. John Mitchell refers in his *Organized Labor* to this subject, in strong but not too strong terms. "No weapon," he says, "has been used with such disastrous effect against trade unions as the injunction in labor disputes. By means of it, trade unionists have been prohibited under severe penalties from doing what they had a legal right to do, and have been specifically directed to do what they had a legal right not to do. It is difficult to speak in measured tones or moderate language of the savagery and venom with which unions have been assailed by the injunction, and to the working classes, as to all fair-minded men, it seems little less than a crime to condone or tolerate it."¹ This is strong language, but who shall say that it is too strong when we remember the many injunctions which have been hurled at organized labor since the famous Debs case brought this new and terrible weapon into requisition?

¹ *Organized Labor*, by John Mitchell, page 324.

Members of the International Cigarmakers' Union, in New York City, were enjoined some six years ago, by Justice Freeman, from approaching the employers against whom they were striking, even with a view to arranging a peaceable settlement. There was no breach of the peace, actual or threatened, to justify such a monstrous use of judicial power. The cigar makers were also enjoined from publishing their grievances, notwithstanding that all the time the employers were publishing their side of the controversy. In the great steel strike, five years ago, the members of the Amalgamated Association of Iron and Steel Workers were enjoined from peaceably discussing the merits of their claim with the men who were at work, even though the latter might raise no objection. In the strike of the International Typographical Union against the Buffalo *Express*, the strikers were enjoined from discussing the strike or talking about the paper in any way which might be construed as being against the paper. If one of the strikers advised a friend, or requested him, not to buy a "scab" paper, he was liable under the terms of that injunction. The members of the same union were, by Justice Bookstaver, on the application of the New York *Sun*, enjoined from publishing their side of the controversy as an argument why persons friendly to organized labor should not advertise in a paper hostile to it. To-day, as

these lines are being written,¹ the New York daily papers contain the text of an injunction, issued by Supreme Court Justice Gildersleeve, enjoining members of the same union from "making any requests, giving any advice, or resorting to any persuasion . . . to overcome the exercise of the free will of any person connected with the plaintiff [a notorious anti-unionist publishing company] or its customers as employees or otherwise." These are only a few of thousands of injunctions, hundreds of them equally monstrous and subversive of all sound principles of popular government. There is not another country in the world where such judicial tyranny would be tolerated. It is not without significance that in West Virginia, where, in 1898, the legislature passed a law limiting the right to issue injunctions, the Supreme Court decided that the law was unconstitutional, on the ground that the legislature had no right to attempt to restrain the courts which were coördinate with itself.

Even more dangerous to organized labor than the injunction is what is popularly known as "Taff Vale law." Our judges have not been slow to follow the lines laid down by English judges in the famous case of the Taff Vale Railway Company against the officers of the Amalgamated Society of Railway Ser-

¹ January 31, 1906.

vants, a powerful labor organization. The decision in that case was most revolutionary. It compelled the workers to pay damages, to the extent of \$115,000, to the railroad company for losses sustained by the company through a strike of its employees, members of the defendant union. That decision struck terror and consternation into the hearts of British trade unionists. At last they had to face a mode of attack almost, if not altogether, as dangerous as that of the injunction which their transatlantic brethren had so long been facing.

Taff Vale law could not for long be confined to England. Ever on the alert, our American capitalists decided to follow the example set by the English railroad company. A suit was instituted against members of a lodge of the Machinists' Union in Rutland, Vermont, and the defendants were ordered to pay \$2500. A writ was served upon every other man in the lodge, and the property of every one of them attached. Since that time, numerous other decisions of a like nature have been rendered in various parts of the country. Thus the unions have been assailed in a vital place, their treasuries. It is manifestly quite useless for the members of a union to strike against an employer for any purpose whatever, if the employer is to be able to recover damages from the union. Taff Vale judge-made law renders unionism *hors de combat* at a stroke.

IX

The immediate effect produced upon the minds of the workers of England by the revolutionary decision manifested itself in a cry for independent political action by the unions. There is a consensus of opinion that the tremendous increase in the labor and Socialist vote at the recent elections was due, largely, to the attack made upon the funds of the unions. The aim of the workers there is to get legislation enacted for the protection of the funds of their unions. A similar process is going on in this country. Colorado "bull pens," anti-democratic, anti-American, anti-everything-decent injunctions, and transplanted Taff Vale decisions, are educating the workers to the acceptance of political Socialism. Underneath the thin veneer of party differences, the worker sees the class identity of the great political parties, and cries out, "A plague on both your houses!" The Socialist argument comes to the workingman with twofold force; he has it in his power to control that government, to make it what he will; he can put an end to government by injunctions, to bull pens, and to the sequestration of union funds, whenever he makes up his mind to do it. He can make the government what he will; if he so decides, he can own and control the government, and, through the government,

own and control the essentials of life: be master of his own labor, his own bread, his own life.

If we take for granted that the universal increase of Socialist sentiment, and the growth of political Socialism, presage this great triumph of the working class; that the heretofore despised and oppressed proletariat is, in a not far-off future, to rule instead of being ruled, the question arises, will the last state be better than the first? Will society be bettered by the change of masters? To regard this struggle of the classes as one of revenge, of exploited masses ready to overturn the social structure that they may become exploiters instead of exploited, is to mis-read the whole movement. The political and economic conquest of society by the working class means the end of class divisions, once and forever. A social democracy, a society in which all the means of the common life are owned and controlled by the people in common, democratically organized, precludes the existence of class divisions in our present-day economic and political sense. Profit, through human exploitation, alone has made class divisions possible; and the Socialist régime will abolish profit. The working class in emancipating itself, at the same time makes liberty possible for the whole race of man.

CHAPTER VII

KARL MARX AND THE ECONOMICS OF SOCIALISM

I

THE first approach to a comprehensive treatment of the materialistic conception of history appeared in 1847, several months before the publication of the *Manifesto*, in *La Misère de la Philosophie*,¹ the famous polemic with which Marx assailed Proudhon's *La Philosophie de la Misère*. Marx had worked out his theory at least two years before, so Engels tells us, and in his writings of that period there are many evidences of the fact. In *La Misère de la Philosophie* the theory is fundamental to the work, and not merely the subject of incidental allusion. This little book, all too little known in England and America, is therefore important from this historical point of view. In it, Marx for the first time shows his complete confidence in the theory. It needed confidence little short of sublime to challenge Proudhon in the audacious manner of this scintillating

¹ An English edition of this work, translated by H. Quelch, was published in 1900 with the title *The Poverty of Philosophy*.

critique. The torrential eloquence, the scornful satire, and fierce invective of the attack upon Proudhon, have rather tended to obscure for readers of a later generation the real merit of the book, the importance of the fundamental idea that history must be interpreted in the light of economic development, that economic evolution determines social life. The book is important also for two other reasons. First, it was the author's first serious essay in economic science—in the Preface he boldly calls himself an economist—and, second, in it appears a full and generous recognition of that brilliant coterie of English Socialist writers of the Ricardian school from whom Marx has been unjustly, and almost spitefully, charged with "pillaging" his principal ideas.

What led Marx to launch out upon the troubled sea of economic science, when all his predilections were for the study of pure philosophy, was the fact that his philosophical studies had led him to a point where further progress was impossible, except by way of economics. The Introduction to *A Contribution to the Critique of Political Economy* makes this perfectly clear. Having decided that "The method of production in material existence conditions social, political, and mental evolution in general," a study of economics, and especially an analysis of modern industrial society, became inevitable. During the

year 1845, when the theory of the economic interpretation of history was absorbing his attention, Marx spent six weeks in England with his friend Engels, and became acquainted with the work of the English Ricardian Socialists referred to.¹ Engels had been living in England about three years at this time, and had made an exhaustive investigation of industrial conditions there, and become intimately acquainted with the leaders of the Chartist movement. His fine library contained most of the works of contemporary writers, and it was thus that Marx came to know them.

Foremost of this school of Socialists which had arisen, naturally enough, in the land where capitalism flourished at its best, were William Godwin, Charles Hall, William Thompson, John Gray, Thomas Hodgskin, and John Francis Bray. With the exception of Hall, of whose privately printed book, *The Effects of Civilisation on the People of the European States*, 1805, he seems not to have known, Marx was familiar with the writings of all the foregoing, and his obligations to Thompson, Hodgskin, and Bray were not slight. While the charge, made by Dr. Anton Menger,² among others, that Marx took his theory of surplus value from Thompson

¹ Cf. F. Engels' Preface to *La Misère de la Philosophie*, English translation, *The Poverty of Philosophy*, page iv.

² Menger, *The Right to the Whole Produce of Labour*, 1899.

is absurd, and rests, as Bernstein has pointed out,¹ upon nothing but the fact that Thompson used the words "surplus value" frequently, but not in the same sense that Marx uses them, we need not attempt to dispute the fact that Marx gleaned much of value from Thompson and the other two writers named. While criticising them, and pointing out their shortcomings, Marx himself frequently pays tributes of respect to each of them. His indebtedness to either of them, or to all of them, consists simply in the fact that he recognized the germ of truth in their writings, and saw what they failed to perceive.

Godwin's most important work, *An Inquiry Concerning Political Justice*, appeared in 1793, and contains the germ of much that is called Marxian Socialism. In it may be found the broad lines of the thought which marks much of our present-day Socialist teaching, especially the criticism of capitalist society. Marx, however, does not appear to have been directly influenced by it. That he was influenced by it indirectly, through William Thompson, Godwin's most illustrious disciple, is, however, quite certain. Thompson wrote several works of a Socialist character, of which *An Inquiry into the Principles of the Distribution of Wealth most Conducive to Human Happiness, applied to the newly*

¹ Edward Bernstein, *Ferdinand Lassalle as a Social Reformer*, page ix.

proposed System of Voluntary Equality of Wealth, 1824, and *Labour Rewarded. The Claims of Labour and Capital Conciliated, or how to secure to Labour the Whole Products of its Exertions*, 1827, are the most important and best known. Thompson must be regarded as one of the greatest precursors of Marx in the development of modern Socialist theory. A Ricardian of the Ricardians, he states the law of wages in language that is almost as emphatic as Lassalle's famous *Ehernes Lohngesetz*. Accepting the view of Ricardo, — and indeed, of Adam Smith and other English economists — that labor is the sole source of exchange value,¹ he shows the exploitation of the laborer, and uses the term "surplus value," not, however, in the sense in which Marx uses it.

John Gray's *A Lecture on Human Happiness*, published in 1825, has been described by Professor Foxwell² as being "certainly one of the most remarkable of Socialist writings," and the summary of the rare little work which he gives amply justifies the description. Gray published other works of note, two of which, *The Social System, a Treatise*

¹ It should be pointed out here, I think, that Ricardo hedged this doctrine about with important qualifications till it no longer remained the simple proposition stated above. See Dr. A. C. Whitaker's *History and Criticism of the Labour Theory of Value in English Political Economy*, page 57, for a suggestive treatment of this point.

² Introduction to Menger's *The Right to the Whole Produce of Labour*.

on the *Principle of Exchange*, 1831, and *Lectures on the Nature and Use of Money*, 1848, Marx subjects to a rigorous criticism in *A Contribution to the Critique of Political Economy*. Thomas Hodgskin's best-known works are *Labour Defended against the Claims of Capital*, 1825, and *The Natural and Artificial Right of Property Contrasted*, 1832. The former, which Marx calls "an admirable work," is only a small tract of thirty-four pages, but its influence in England and in America was very great. Hodgskin was a man of great culture and erudition, with a genius for popular writing upon difficult topics. It is interesting to know that in a letter to his friend, Francis Place, he sketched a book which he proposed writing, "curiously like Marx's *Capital*" according to Place's biographer, Mr. Wallas,¹ and which the conservative old reformer dissuaded him from writing. John Francis Bray was a journeyman printer about whom very little is known. His *Labour's Wrongs and Labour's Remedy* published in Leeds in 1839, Marx calls a "remarkable work," and in his attack upon Proudhon he quotes from it extensively to show that Bray had anticipated the French writer's theories.²

¹ *The Life of Francis Place*, by Graham Wallas, M.A., London, 1898, page 268.

² For this brief sketch of the works of these writers I have drawn freely upon Dr. Anton Menger's *The Right to the Whole Produce of Labour*, and Professor Foxwell's Introduction thereto.

The justification for this lengthy digression from the main theme of the present chapter lies in the fact that many critics have sought to fasten the charge of dishonesty upon Marx, and claimed that the ideas with which his name is associated were taken by him, without acknowledgment, from these English Ricardian Socialists. As a matter of fact, no economist of note ever quoted his authorities with more generous frankness than Marx, and it is exceedingly doubtful whether the names of the precursors whose ideas he is accused of stealing would be even known to his critics but for his frank recognition of them. No candid reader of Marx can fail to notice that he is most careful to show how nearly these writers approached the truth as he conceived it.

II

When the February revolution of 1848 broke out, Marx was in Brussels. The authorities there compelling him to leave Belgian soil, he returned to France, but not for a long stay. The revolutionary struggle in Germany stirred his blood, and with Engels, Wilhelm Wolf,¹ and Ferdinand Freiligrath, the poet of the movement, he started the *New*

¹ An intimate friend, to whom Marx dedicated the first volume of *Capital*.

Rhenish Gazette. Unlike the first *Rhenish Gazette*, the new journal was absolutely free. Twice Marx was summoned to appear at the Cologne Assizes, upon charges of inciting the people to rebellion, and each time he defended himself with superb skill and audacity and was acquitted. But in June, 1849, the authorities suppressed the paper, because of the support it gave to the risings in Dresden and the Rhine Province. Marx was expelled from Prussia and once more sought refuge in Paris, which he was allowed to enjoy only for a very brief time. Forbidden by the French government to stay in Paris, or any other part of France except Bretagne, which, says Liebknecht, was considered fireproof, Marx turned to London, the mecca of all political exiles, arriving there toward the end of June, 1849.

His removal to London was one of the crucial events of the life of Marx. It became possible for him, in the classic land of capitalism, to pursue his economic studies in a way that was not possible anywhere else in the world. As Liebknecht says: "Here in London, the metropolis (mother city) and the center of the world, and of the world of trade — the watch tower of the world whence the trade of the world and the political and economical bustle of the world may be observed, in a way impossible in any other part of the globe — here, Marx found what he sought and needed, the bricks

and mortar for his work. *Capital* could be created in London only.”¹

Already much more familiar with English political economy than most English writers, and with the fine library of the British Museum at his command, Marx felt that the time had at last arrived when he could devote himself to his long-cherished plan of writing a great treatise upon political economy upon which the theoretical structure of the Socialist movement could be safely and securely based. With this object in view, he resumed his economic studies in 1850, soon after his arrival in London. The work proceeded slowly, however, principally owing to the long and bitter struggle with poverty which encompassed Marx and his gentle wife. For years they suffered all the miseries of acute poverty, and even afterward, when the worst was past, the principal source of income, almost the only source in fact, was the five dollars a week received from the New York *Tribune*, for which Marx acted as special correspondent, and to which he contributed some of his finest work.² There are few pictures more pathetic, albeit also heroic, than that which we

¹ *Karl Marx: Biographical Memoirs*, by Wilhelm Liebknecht, translated by E. Untermann, 1901, page 32.

² Much of this work has been collated and edited by Marx's daughter, the late Mrs. Eleanor Marx Aveling, and her husband, Dr. Edward Aveling, and published in two volumes, *The Eastern Question and Revolution and Counter-Revolution*.

have of the great thinker and his devoted wife struggling against poverty during the first few years of their stay in London. Often the little family suffered the pangs of hunger, and Marx and his fellow-exiles used to resort to the reading room of the British Museum, weak from lack of food very often, but grateful for the warmth of that hospitable spot. The family lived in two small rooms in a cheap lodging house on Dean Street, for some years, the front room serving as reception room and study, and the back room serving for everything else. In a diary note, Mrs. Marx has herself left us an impressive picture of the suffering of those early years in London. Early in 1852, death entered the little household for the first time, taking away a little daughter. Only a few weeks later another little daughter died, and Mrs. Marx wrote concerning this event:—

“On Easter of the same year — 1852 — our poor little Francisca died of severe bronchitis. Three days the poor child was struggling with death. It suffered so much. Its little lifeless body rested in the small back room; we all moved together into the front room, and, when night approached, we made our beds on the floor. There the three living children were lying at our side, and we cried about the little angel, who rested cold and lifeless near us. The death of the dear child fell into the time of the

most bitter poverty . . . (the money for the burial of the child was missing). — I went to a French refugee living in the vicinity, who had visited us shortly before.

“He at once gave me two pounds sterling, with the friendliest sympathy. With this money, the little coffin was purchased in which my poor child now slumbers peacefully. It had no cradle when it entered the world, and the last little abode also was for a long time denied it. What did we suffer, when it was carried away to its last place of rest!”¹

The poverty, of which we have here such a graphic view, lasted for several years beyond the publication of the *Critique*, on to the publication of the first volume of *Capital*. When this struggle is remembered and understood, it becomes easier to appreciate the life work of the great Socialist thinker. As this is the last place in which the personality of Marx, or his personal affairs, will be discussed at any length in the present work, a further word concerning his family life may not be out of place. Those persons who regard Socialism as being antagonistic to the marriage relation, and fear it in consequence, will find no suggestion of support for that view in the life of Marx. The love of Marx and his wife for one another was beautiful and idyllic; a true account of their love and devotion would rank with

¹ Quoted by Liebknecht, *Memoirs*, page 177.

the most beautiful love stories in literature. Their friends understood that, too, and there is a world of significance in the one brief sentence spoken by Engels, when told of the death of his friend's wife, who was likewise his own dear friend; "Mohr [Negro, a nickname given to Marx by his friends] is dead too," he said simply. It was indeed true. Though he lingered on for about three months after her death, the life of Marx really ended when the playmate of his boyhood, and the lover and companion of his later years, died with the name of her dear "Karl" upon her lips.

III

The studious years spent in the reading room of the British Museum completed the anglicization of Marx. *Capital* is essentially an English work, the fact of its being written in German, by a German writer, being merely incidental. No more distinctively English treatise on political economy was ever written, not even the *Wealth of Nations*. Even the method and style of the book are, contrary to general opinion, much more distinctly English than German. *Capital* was the child of English industrial conditions and English thought, born by chance upon German soil.

Toward the middle of the nineteenth century,

English economic thought was entirely dominated by the ideas and method of Ricardo, who has been described by Senior, not without justice, as "the most incorrect writer who ever attained philosophical eminence."¹ So far as looseness in the use of terms can justify such a sweeping criticism, it is justified by Ricardo's failing in this respect. That he should have attained the eminence he did, dominating English economic thought for many years, in spite of the confusion which his loose and uncertain use of words occasioned, is not less a tribute to Ricardo's genius than evidence of the poverty of political economy in England at that time. In view of the constant and tiresome reiteration of the charge that Marx pillaged his labor-value theory from Thompson, Hodgskin, Bray, or some other more or less obscure writer of the Ricardian Socialist school, it is well to remember that there is nothing to be found in the works of any of these writers connected with the theory of value which is not to be found in the earlier work of Ricardo himself. In like manner, the theory can be traced back from Ricardo to the master he honored, Adam Smith. Furthermore, almost a century before the appearance of the *Wealth of Nations*, Sir William Petty had anticipated the so-called Ricardian labor-value theory of Smith and his followers.

¹ *Political Economy*, page 115.

Petty, rather than Smith, is entitled to be regarded as the founder of the classical school of political economy, and Cossa justly calls him, "one of the most illustrious forerunners of the science of statistical research."¹ He may indeed fairly be called the father of statistical science, and was the first to apply statistics, or "political arithmetick," as he called it, to the elucidation of political economy. He boasts that "instead of using only comparative and superlative Words, and intellectual Arguments," his method is to speak "in Terms of Number, Weight, or Measure; to use only Arguments of Sense; and to consider only such Causes, as have visible Foundations in Nature; leaving those that depend upon the mutable Minds, Opinions, Appetites, and Passions of particular Men, to the Consideration of others."² The celebrated saying of this sagacious thinker that, "labor is the father and active principle of wealth; lands are the mother," is quite Ricardian. Petty divided the population into two classes, the productive and non-productive, and insisted that the value of all things depends upon the labor it costs to produce or obtain them. These are the ideas Marx is accused of taking, without acknowledgment, from comparatively obscure

¹ Luigi Cossa, *Guide to the Study of Political Economy*, English translation, 1880.

² *The Economic Writings of Sir William Petty*, edited by Charles Henry Hull, Vol. I, page 244.

followers of Ricardo, in spite of the fact that he gives abundant credit to the earlier writer. It has been asked with ample justification whether these critics of Marx have ever read the works of Marx or his predecessors.

Adam Smith, who accepted the foregoing principles laid down by Petty, followed his example of basing his opinions upon observed facts instead of abstractions. It is not the least of Smith's merits that, despite his many digressions, looseness of phraseology, and other admitted defects, his love for the concrete kept his feet upon the solid ground of fact. With his successors, notably Ricardo and J. S. Mill, it was far otherwise. They made political economy an isolated study of abstract doctrines. Instead of a study of the meaning and relation of facts, it became a cult of abstractions, and the aim of its teachers seemed to be to render the science as little scientific, and as dull, as possible. They set up an abstraction, an "economic man," and created for it a world of economic abstractions. It is impossible to read either Ricardo or John Stuart Mill, but especially the latter, without feeling the artificiality of the superstructures they created, and the justice of Carlyle's description of such political economy as the "dismal science." With a realism greater even than Adam Smith's, and a more logical method than John Stuart Mill's, Marx

restored the science of political economy to its old fact foundations.

IV

The superior insight of Marx is shown in the very first sentence of his great work. The careful reader at once perceives that the first paragraph of the book strikes a keynote which distinguishes it from all other economic works. Marx was a great master of the art of luminous and exact definition and nowhere is this more strikingly shown than in this opening sentence of *Capital*: "The wealth of those societies *in which the capitalist mode of production prevails* presents itself as an immense accumulation of commodities, its unit being a single commodity."¹ In this simple, lucid sentence, the theory of social evolution is clearly implied. The author repudiates, by implication, the idea that it is possible to lay down universal or eternal laws, and limits himself to the exploration of the phenomena appearing in a certain stage of historical development. We are not to have another abstract economic man with a world of abstractions all his own; lone, shipwrecked mariners upon barren islands, imaginary communities nicely adapted for demonstration purposes in college class rooms, and all the other stage properties of the political econo-

¹ The italics are mine. — J. S.

mists, are to be entirely discarded. Our author does not propose to give us a code of principles by which we shall be able to understand and explain the phenomena of human society at all times and in all places — the Israel of the Mosaic Age, the nomadic life of Arab tribes, Europe in the Middle Ages, and England in the nineteenth century.

In effect, the passage under consideration says: "Political economy is the study of the principles and laws governing the production and distribution of wealth. Because of the fact that in the progress of society different systems of wealth production and exchange, and different concepts of wealth, prevail at different times, and in various places at the same time, we cannot apply any laws, however carefully formulated, to all times and to all places. We must choose for study and examination a certain form of production, representing a particular stage of historical development, and be careful not to apply any of its laws to other forms of production, representing other stages of development. We might have chosen to investigate the laws which governed the production of wealth in the ancient Babylonian Empire, or in Mediæval Europe, had we so desired, but we have chosen instead the period in which we live."

This that we call the capitalist epoch has grown out of the geographical discoveries and the mechan-

ical inventions of the past three hundred years, especially the mechanical discoveries of the seventeenth and eighteenth centuries. Its chief characteristic, from an economic point of view, is that of production for sale instead of direct use as in earlier stages of social development. Of course, barter and sale are much older than this epoch which we are discussing. In all ages men have exchanged their surplus products for other things more desirable to them, either directly by barter or through some medium of exchange. In the very nature of things, however, such exchange as this must have been incidental to the life of the people engaging in it, and not its principal aim. Under such conditions of society wealth consists in the possession of useful things. The naked savage, so long as he possessed plenty of weapons, and could get an abundance of fish or game, was, from the viewpoint of the society in which he lived, a wealthy man. In other words, the wealth of pre-capitalist society consisted in the possession of use-values, and not of exchange values. Robinson Crusoe, for whom the very possibility of exchange did not exist, was, from this pre-capitalistic point of view, a very wealthy man.

In our present society, production is carried on primarily for exchange, for sale. The first and essential characteristic feature of wealth in this stage of social development is that it takes the form of accu-

culated exchange-values, or commodities. Men are accounted rich or poor according to the exchange-values they can command, and not according to the use-values they can command. To use a favorite example, the man who owns a ton of potatoes is far richer in simple use-values than the man whose only possession is a sack of diamonds, but, because in present society a sack of diamonds will exchange for an almost infinite quantity of potatoes, the owner of the diamonds is much wealthier than the owner of the potatoes. The criterion of wealth in capitalist society is exchangeable value as opposed to use-value, the criterion of wealth in primitive society. The unit of wealth is therefore a commodity, and we must begin our investigation with it. If we can analyze the nature of a commodity so that we can understand how and why it is produced, and how and why it is exchanged, we shall be able to understand the principle governing the production and exchange of wealth in this and every other society where similar conditions prevail, where, that is to say, the unit of wealth is a commodity.

V

It has become fashionable in recent years to sneer at the term "scientific" which has been commonly applied to Marxian Socialism. Even some of the

friendliest critics of Socialism have contended that the use of the term is pretentious, bombastic, and altogether unjustified. From a certain point of view, this appears to be an exceedingly unimportant matter, and the vigor with which Socialists defend their use of the term seems exceedingly foolish, and accountable for only as a result of enthusiastic fetish worship — the fetish, of course, being Marx. Such a view is exceedingly crude and superficial. It cannot be doubted that the Socialism represented by Marx and the modern Socialist movement is radically different from the earlier Socialism with which the names of Fourier, Saint-Simon, Cabet, Owen, and a host of other builders of “cloud palaces for an ideal humanity,” are associated. The need of some word to distinguish between the two is obvious, and the only question remaining is whether or not the word “scientific” is the most suitable and accurate one to make that distinction clear; whether the words “scientific” and “utopian” express with reasonable accuracy the nature of the difference. Here the followers and champions of Marx feel that they have taken an impregnable position. The method of Marx is scientific. From the first sentence of his great work to the last, the method pursued is that of a painstaking scientist. It would be just as reasonable to complain of the use of the term “scientific” in connection with the work

of Darwin and his followers, to distinguish it from the guesswork of Anaximander, as to cavil at the distinction made between the Socialism of Marx and his followers, and that of visionaries like Owen and Saint-Simon.

If to recognize a law of causation, to put exact knowledge of facts above tradition or sentiment, to gather facts patiently until sufficient have been gathered together to make possible the formulation of generalizations and laws which enable us to foretell with tolerable certainty what the outcome of certain conditions will be — as Marx foretold the culmination of competition in monopoly — constitutes scientific method, then Karl Marx was a scientist and modern Socialism is aptly named Scientific Socialism.

CHAPTER VIII

OUTLINES OF THE ECONOMICS OF SOCIALISM

I

THE *geist* of social and political evolution is economic, according to the Socialist philosophy. This view of the importance of man's economic relations involves a very radical change in the methods and terminology of political economy. The philosophical view of social and political evolution as a world-process, through revolutions formed in the matrices of economic conditions, at once limits and expands the scope of political economy. It destroys on the one hand the idea of the eternality of economic laws and limits them to particular epochs. On the other hand, it enhances the importance of the science of political economy as a study of the motive force of social evolution. With Marx and his followers, political economy is more than an analysis of the production and distribution of wealth; it is a study of the principal determinant factor in the social and political progress of society, consciously recognized as such.

The sociological viewpoint appears throughout the whole structure of Marxian economic thought. It appears, for instance, in the definition of a commodity as the unit of wealth in *those Societies in which the capitalist mode of production prevails*.¹ Likewise wealth and capital connote special social relations or categories. Wealth, which in certain simpler forms of social organization consists in the ownership of use-values, under the capitalist system consists in the ownership of exchange-values. Capital is not a thing, but a social relation between persons established through the medium of things. Robinson Crusoe's spade, the Indian's bow and arrow, and all similar illustrations given by the "orthodox" economists, do not constitute capital any more than an infant's spoon is capital. They do not serve as the medium of the social relation which characterizes the capitalist system of production. The essential feature of capitalist society is the production of wealth in the commodity form; that is to say, in the form of objects that, instead of being consumed by the producer, are destined to be exchanged or sold at a profit. Capital, therefore, is wealth set apart for the production of other wealth with a view to its exchange at a profit. A house may consist of certain definite quantities of bricks, timber, lime, iron, and other substances, but similar

¹ *Capital*, English edition, page 1.

quantities of these substances piled up without plan will not constitute a house. Bricks, timber, lime, and iron become a house only in certain circumstances, when they bear a given ordered relation to each other. "A negro is a negro; it is only under certain conditions that he becomes a slave. A certain machine, for example, is a machine for spinning cotton; it is only under certain defined conditions that it becomes capital. Apart from these conditions, it is no more capital than gold *per se* is money; capital is a social relation of production."¹

This sociological principle pervades the whole of Socialist economics. It appears in every economic definition, and the terminology of the orthodox political economists is thereby often given a radically different meaning from that originally given to it and commonly understood. The student of Socialism who fails to appreciate this fact will most frequently land in a morass of confusion and difficulty; but the careful student who fully understands it will find it of immense assistance.

II

We must begin our analysis of capitalist society with an analysis of a commodity. "A commodity is," says Marx, "in the first place, an object outside

¹ *The People's Marx*, by Gabriel Deville, page 288.

us, a thing that by its properties satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production.”¹ But a commodity must be something more than an object satisfying human wants. The manna upon which the pilgrim exiles of the Bible story were fed, for instance, was not a commodity, though it fulfilled the conditions of this first part of our definition. In addition, then, to use-value, a commodity must possess exchange-value. In other words, it must possess a social use-value, a use-value to others, and not merely to the producer.

Use-values may, and often do, exist without economic value, value, that is to say, in exchange. Air, for instance, is absolutely indispensable to life, yet it is not — except in special, abnormal conditions — subject to sale or exchange. With a use-value that is beyond computation, it has no exchange-value. Similarly, water is ordinarily plentiful, and has no economic value; it is not a commodity. A seeming contradiction exists in the case of the water supply of cities where water for domestic use is commercially supplied, but a moment’s reflection will show that it

¹ *Capital*, English edition, pages 1-2.

is not the water, but the social service of bringing it to a desired location for the consumer's convenience, that represents economic value. Under ordinary circumstances, water, like light, is plentiful; its utility to man is not due to man's labor, and it has, therefore, no economic value. But in exceptional circumstances, in the arid desert, for instance, or in a besieged fortress, a millionaire might be willing to give all his wealth for a little water, thus making the value of what is ordinarily valueless almost infinite. Use-value may exist as the result of human labor, but unless that use-value is social, if the object produced is of no use to any person other than the producer, it will have no value in the economic sense.¹

A commodity must therefore possess two fundamental qualities. It must have a use-value, must satisfy some human want or desire; it must also have an exchange-value arising from the fact that the use-value contained in it is social in its nature and exchangeable for other exchange-values. With the unit of wealth thus defined, the subsequent study of economics is immensely simplified.

The trade of capitalist society is the exchange of commodities against each other through the medium of money. Commodities utterly unlike each other

¹ Professor J. S. Nicholson, a rather pretentious critic of Marx, has called sunshine a commodity because of its utility, *Elements of Political Economy*, page 24. Upon the same ground, the song of the skylark and the sound of ocean waves might be called commodities.

in all apparent physical properties, such as size, shape, color, weight, substance, use, and so on, are found to exchange equally, to have equal value. The question immediately arises: What is it that determines the relative value of commodities so exchanged? A dress suit and a kitchen range, for example, are very different commodities possessing no outward semblance to each other, yet they may, and actually do, exchange upon an equality in the market. To understand the reason for this similarity of value of dissimilar commodities, is to understand an important part of the mechanism of modern capitalist society.

III

When all their differences have been carefully noted, all commodities have at least one quality in common. The dress suit and the kitchen range, tooth-picks and snowshoes, pink parasols and sewing machines, are unlike each other in every particular save one — they are all products of human labor, crystallizations of human labor power. Here, then, we have the secret of the mechanism of exchange in capitalist society. The amount of labor power embodied in their production in some way is associated with the measure of the exchangeable value of the commodities. Their relative value to one another is determined by the relative amounts of human

labor-power embodied in them, and this is ascertained by competition and the higgling of the market.

Stated in this form, that the quantity of human labor is the basis and measure of the value of commodities when exchanged against one another, the labor theory of value is beautifully simple. At the same time, it is open to certain very obvious criticisms. It would be absurd to contend that the day's labor of a coolie laborer is of equal value to the day's labor of a highly skilled mechanic, or that the day's labor of an incompetent workman is of equal value to that of the most proficient. To refute such a theory is as beautifully simple as the theory itself. In all seriousness, arguments such as these are constantly used against the Marxian theory of value, notwithstanding that they do not possess the slightest relation to it. Marxism is very frequently "refuted" by those who do not trouble themselves to understand it.

The idea that the quantity of labor embodied in them is the determinant of the value of commodities did not originate with Karl Marx. On the contrary, it is one of the great fundamental principles upon which all the classical economists are agreed. Sir William Petty, for example, in a celebrated passage says of the exchange-value of corn: "If a man can bring to London an ounce of silver out of the earth in Peru in the same time that he can produce a

bushel of corn, then one is the natural price of the other; now, if by reason of new and more easy mines a man can get two ounces of silver as easily as formerly he did one, then the corn will be as cheap at ten shillings a bushel as it was before at five shillings a bushel, *cæteris paribus*.”¹

Adam Smith, in a well-known passage, says: “The real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it. What everything is really worth to the man who has acquired it, and who wants to dispose of it or exchange it for something else, is the toil and trouble which it can impose on other people. Labor was the first price, the original purchase money, that was paid for all things. . . . If among a nation of hunters, for example, it usually costs twice the labor to kill a beaver which it does to kill a deer, one beaver would naturally be worth or exchange for two deer. It is natural that what is usually the produce of two days’ or two hours’ labor, should be worth double of what is usually the produce of one day’s or one hour’s labor.”²

Benjamin Franklin, whose merit as an economist Marx recognized, takes this view and regards trade as being “nothing but the exchange of labor for

¹ William Petty, *A Treatise on Taxes and Constitutions* (1662), page 32.

² *Wealth of Nations*, second Thorold Rogers edition, pages 31-32.

labor, the value of all things being most justly measured by labor.”¹ From the writings of almost all the great economists of the classical school it would be easy to compile a formidable and convincing volume of similar quotations, equally emphatic, showing that they all took the same view that the quantity of human labor embodied in commodities determines their exchange-value. One further quotation, from Ricardo, must, however, suffice:—

“To convince ourselves that this (quantity of labor) is the real foundation of exchangeable value, let us suppose any improvement to be made in the means of abridging labor in any one of the various processes through which the raw cotton must pass before the manufactured stockings come to the market to be exchanged for other things; and observe the effects which will follow. If fewer men were required to

¹ Benjamin Franklin, *Remarks and Facts Relative to the American Paper Money*, 1764, page 267.

Marx thus speaks of Franklin as an economist: “The first sensible analysis of exchange-value as labor time, made so clear as to seem almost commonplace, is to be found in the work of a man of the New World, where the bourgeois relations of production imported, together with their representatives, sprouted rapidly in a soil which made up its lack of historical traditions with a surplus of *humus*. That man was Benjamin Franklin, who formulated the fundamental law of modern political economy in his first work, which he wrote when a mere youth (*A Modest Inquiry into the Nature and Necessity of a Paper Currency*), and published in 1721.” *A Contribution to the Critique of Political Economy*, English translation by N. I. Stone, 1904, page 62.

cultivate the raw cotton, or if fewer sailors were employed in navigating, or shipwrights in constructing, the ship in which it was conveyed to us; if fewer hands were employed in raising the buildings and machinery, or if these, when raised, were rendered more efficient; the stockings would inevitably fall in value, and command less of other things. They would fall because a less quantity of labor was necessary to their production, and would therefore exchange for a smaller quantity of those things in which no such abridgment of labor had been made."¹

It is evident from the foregoing quotations that these great writers regarded the quantity of human labor spent as the basis of value. It is equally certain that they do not sufficiently explain what is meant by quantity of human labor. They speak of labor as that of individuals, or sets of individuals, and, with the exception of Ricardo, do not appear to conceive of social labor. It is because they fail to comprehend social labor that they fail to satisfactorily solve the problem of the nature and source of value. The difficulties arising from the variations in human capacity and productiveness are solved by Smith and Ricardo and their followers by insisting upon the law of averages. It is the average amount of labor expended in killing the beaver which counts, not the actual individual labor in a specified case.

¹ David Ricardo, *Principles of Political Economy and Taxation*.

Nor did these writers overlook the important differentiation between simple, unskilled labor and labor that is highly skilled. If A in ten hours' labor produces exactly double the amount of exchange-value which B produces in the same time devoted to labor of another kind, it is obvious that the labor of B is not equal in value to that of A. Quantity of labor must, therefore, be measured by some other standard than time units. Despite a hundred passages which seem to imply the contrary, Adam Smith recognized this very clearly, and attempted to solve the riddle by a differentiation of skilled and unskilled labor in which he likens skilled labor to a machine; and insists that the labor and time spent in acquiring the skill which distinguishes skilled labor must be reckoned.¹

IV

Marx saw the soul of truth in the labor-value theory, as propounded by his predecessors, and devoted his wonderful genius to its development and systematization. Labor, he pointed out, has two sides: the qualitative and the quantitative. The qualitative side, the difference in quality between specially skilled and simple unskilled labor, is easily recognized, though the relative value of the one to

¹ *Wealth of Nations*, second Thorold Rogers edition, page 106.

the other may be somewhat obscure. The secret of that obscurity lies hidden in the quantitative side of labor. Here we must enter upon an abstract inquiry, that part of the Marxian theory of value which is most difficult to comprehend. Yet it is not very difficult after all to understand that the years devoted to learning his trade by a mechanical engineer, for instance, during all of which years he must be provided with the necessities of life, must be reckoned somewhere and somehow; and that when they are so reckoned, his day's labor may be found to contain an amount of labor time, equivalent to two or even several days' simple unskilled labor.

Marx has been accused of plagiarizing his labor-value theory from the Ricardians, but it is surely not plagiarism when a thinker sees the germ of truth in a theory, and, separating it from the mass of confusion and error which envelops it, restates it in scientific fashion with all its necessary qualifications. Marx developed the idea of social labor which Ricardo had propounded. He disregarded individual labor entirely, and dealt only with social labor cost. Furthermore, he recognized the absurdity of the contention that the value of commodities is determined by the amount of labor, individual or social, *actually embodied in them*. If two workers are producing precisely similar commodities, say, coats, and one of them expends twice as much labor as the other and

uses tools and methods representing twice the social labor, it is clearly foolish to suppose that the exchange value of his coat will be twice as great as that of the other worker, regardless of the fact that their utility is equal. The real law of value, then, is that the value of commodities is determined by the amount of abstract labor embodied in them, or in other words by the amount of social human labor necessary, on the average, for their production.

We may conveniently illustrate this theory by a single concrete example. Two workmen set to work each to make a table. When finished, the tables are in all respects alike so that it is impossible to distinguish between them. One of the workmen, however, takes twice as long as the other to make his table. He works with clumsy, old-fashioned tools and methods, sawing his boards by hand from heavy lumber, and so on. The other workman uses superior modern tools and methods, his boards are sawn and planed by machinery and all the economies of production are used. The amount of labor, not only individual labor, but social labor, expended in the production of one table, is twice as great as in the other. Now, always assuming that their use-values are equal, no one will be willing to pay twice as much for one table as for the other. If the more economical methods of production are those usually adopted in the manufacture of tables, then the average

value of tables will be determined thereby, and tables produced by the slower, less economical process, will naturally command only the same price in the market, though embodying twice the amount of actual labor. If we reverse the order of this proposition, and suppose the slower, less economical methods to be those generally prevailing in the manufacture of tables, and the quicker, more economical methods to be exceptional, then, all other things being equal, the exchange-value of tables will be determined by the amount of labor commonly consumed, and the fortunate producer who adopts the exceptional, economical methods will, for a time, reap a golden harvest. Only for a time, however. As the new methods prevail, competition being the impelling force, they become less exceptional, and finally, the regular, normal methods of production and the standard of value.

It is this important qualification which is most often lost sight of by the critics of the labor theory of value. They persist in applying to individual commodities the test of the amount of labor-power actually consumed in their production, and so confound the Marxian theory with its crude progenitors. In refuting this crude theory, they are utterly oblivious of the fact that Marx himself accomplished that by no means difficult task. To state the Marxian theory accurately, we must qualify the bald state-

ment that the exchange value of commodities is determined by the amount of labor embodied in them, and state it in the following manner: The exchange value of commodities is determined by *the amount of average labor at the time socially necessary for their production*. This is determined, not absolutely in individual cases, but approximately in general, by the bargaining and higgling of the market, to adopt Adam Smith's well-known phrase.

V

Most writers do not distinguish between price and value with sufficient clearness, using the terms as if they were synonymous and interchangeable. Where commodities are exchanged directly one for another, as in the barter of primitive society, there is no need of a price-form to express value. In highly developed societies, however, where the very magnitude of production and exchange makes direct barter impossible, and where the objects to be exchanged are not commonly the product of individual labor, a medium of exchange becomes necessary; a something which is generally recognized as a safe and stable commodity which can be used to express in terms of its own weight, size, shape, or color, the value of other commodities to be exchanged. This is the function of money. In various times and places wheat, shells,

skins of animals, beads, powder, and a multitude of other things, have served as money, but for various obvious reasons the precious metals, gold and silver, have been most favored.

In all commercial countries to-day, one or other of these metals, or both of them, serves as the recognized medium of exchange. They are commodities, also, and when we say that the value of a commodity is a certain amount of gold, we equally express the value of that amount of gold in terms of the commodity in question. As commodities, the precious metals are subject to the same laws as other commodities. If gold should be discovered in such abundance that it became as plentiful and easy to obtain as coal, its value would be no greater than that of coal. It might, conceivably, though it is not probable, still be used as the medium of exchange, but it would be equal to coal in exchange-value, a ton of the one being equal to a ton of the other provided its utility-value remained. Since the scarcity of gold is an important element in its utility-value, creating and fostering the desire for its possession, that utility-value might largely disappear if gold became as plentiful as coal, in which case it would not have the same value as coal, and might cease to be a commodity at all.

Price, then, is the expression of value in terms of some other commodity, which, generally used for that purpose of expressing the value of other com-

modities, we call money. It is only an approximation of value, and subject to fluctuation to a much greater extent than value itself. It may, for a time, fall below value or rise above it, but in a free market — the only condition in which the operation of any economic law may be judged — sooner or later the equilibrium will be regained. Where monopoly exists, the free market condition being non-existent, price may rise far above value. Monopoly-price is an artificial elevation of price above value and must be considered independently.

Failure to discriminate between value and its price-expression has led to endless difficulty. It lies at the bottom of the naïve theory that value depends upon the relation of supply and demand. Lord Lauderdale's famous theory has found much support among later economists, though it is now rather unpopular when stated in its old, simple form. Disguised in the so-called Austrian theory of final utility, it has attained considerable vogue.¹ The

¹ See "The Final Futility of Final Utility" in Hyndman's *Economics of Socialism*, for a remarkable criticism of the "final utility" theory, showing its identity with the doctrine of supply and demand as the basis of value.

I refer to the theory of final or marginal utility as the "so-called Austrian theory" for the purpose of calling attention to the fact that, as Professor Seligman has ably and clearly demonstrated, it was conceived and excellently stated by W. F. Lloyd, Professor of Political Economy at Oxford, in 1833. (See the paper, *On Some Neglected British Economists*, in the *Economic Journal*, V, xiii, pages, 357-363.) This was two decades before Gossen and a generation earlier than

theory is plausible and convincing to the ordinary mind. Every day we see illustrations of its working; prices are depressed when there is an oversupply, and elevated when the demand of would-be consumers exceeds the supply of the commodities they desire to buy. It is not so easy to see that these effects are temporary, and that there is an automatic adjustment at work. Increased demand raises prices for a time, but it also calls forth an increase in supply which tends to restore the old price level, or may even force prices below it. In the latter case, the supply falls off and prices find their real level. The relation of supply to demand causes an oscillation of prices, but it is not the determinant of value. When prices rise above a certain level, demand slackens or ceases, and prices are inevitably lowered. Prices may fall with a decreased demand, but it is clear that unless the producers can get a price approximately equal to the value of their commodities, they will cease to produce them, and the supply will diminish or cease altogether. Ultimately, therefore, the fluctuations of price through the lack of equilibrium between supply and demand adjust themselves, and prices must roughly represent values except under artificial conditions. Monopoly-price is, of course,

Menger and Jevons. In view of this fact, the criticisms of Marx for his lack of originality by members of the "Austrian" school, is rather naïve and amusing.

an artificial price only in the sense that the laws of free market exchange do not apply to it.

VI

Labor, the source and determinant of value, has, *per se*, no value. Only when it is embodied in certain forms has it any value. If a man labors hard digging holes and refilling them, the result is quite valueless. What the capitalist buys, therefore, is not labor but labor-power, the ability and will to labor. An exception to this is seen in the case of piecework, where the employer undertakes to pay for a given amount of labor embodied in a certain form, instead of for a given amount of labor-time, or labor-power. But here, again, it is not labor *per se* that is bought, but labor in a certain form and relation, embodied in a commodity. Wages in general is a form of payment for certain amounts of labor-power, measured by duration and skill. The power and will to labor assume the twofold commodity character of use-value and exchange-value. Labor-power is a commodity and wages is its price.

Now, as a commodity labor-power is subject to the same laws as all other commodities. Its price, wages, fluctuates just as the price of all other commodities do, and bears the same relation to its value. It may be temporarily affected by the preponderance

of supply over demand, or of demand over supply; it may be made the subject of monopoly. There is, therefore, no such thing as an "iron law" of wages, any more than there is an "iron law" of prices for other commodities than labor-power. There is, however, this element of truth in Lassalle's famous law of wages: as the price of all other commodities tends, under normal conditions, to approximate value, so the price of labor-power, wages, tends to approximate its value. And just as the value of other commodities is determined by the amount of labor necessary on an average for their reproduction, so the value of labor-power is likewise determined. Wages tend to a point at which they will cover the average cost of the necessary means of subsistence for the workers and their families, in any given time and place, under the conditions and according to the standard of living generally prevailing. Trade union action may force wages above that point, or undue stress in the competitive labor market force wages below it. While, however, a trade union may bring about what is virtually a monopoly-price for the labor-power of its members, there is always a counter tendency in the other direction, and even toward lowering the standard of subsistence itself till it reaches an irreducible minimum.

To class human labor-power with pig iron or bad butter as a commodity, subject to the same laws,

may at first seem fantastic to the reader, but a careful survey of the facts will fully justify the classification. The capacity of the worker to labor depends upon his securing certain things; his labor-power has to be reproduced from day to day, for which a certain supply of food, clothing, and other necessities of life is essential. Even with these supplied constantly, the worker sooner or later wears out and dies. If the race is not to be extinguished, a certain supply of the necessities of life must be provided for the children during the years of their development to the point where their labor-power becomes marketable. The average cost of production in the case of labor-power includes, therefore, the necessities for a wife and family as well as for the individual worker.

This living commodity, labor-power, differs in a material way from all other commodities, in that when it is used up in the process of the production of other commodities in which it is embodied, unlike machinery and raw materials, it creates new value in the process of being used up, and embodies that new value in the commodity it assists to produce. This is the central idea of the famous and much-misunderstood Marxian theory of surplus-value by which the method of capitalism, the exploitation of the wage-workers, and the resulting class antagonisms of the system are explained.

VII

Earlier writers than Marx, such as Thompson and the famous Chartist leader, Bronterre O'Brien, had used the term "Surplus Value" to connote profit, and it is probable that Marx adopted the term because of its wide currency at the time he wrote. With these writers, however, surplus-value was simply another name for profit; it did not represent a theory of the nature and origin of capitalist income as it did later in the hands of Marx, who showed that appropriation of unpaid labor is the real source of profit; that even if the capitalist buys the laborer's labor-power at its full value as a commodity, he extracts from it more value than he paid for, and that thus the profits of the capitalist class are derived. The surplus-value theory thus becomes the scientific groundwork of all the social theories and movements protesting against and seeking to end the exploitation of the laboring masses. It is the foundation principle of the modern political Socialist movement, and to understand it is a matter of paramount importance.

One of the ablest and best-known American Socialist writers briefly and clearly explains the theory as follows:¹—

"It is possible for the workers, according to methods and under conditions now prevailing, to produce the

¹ Algernon Lee, in *The Worker*, January 29, 1905.

equivalent of their own day's subsistence in less than a full labor day — by less than the full amount of labor that they can do in a day. Six hours' labor, probably four hours' labor, is sufficient to produce the values of a day's subsistence — that is, to reproduce the amount of the daily wages, the value of the labor-power expended in a day. But the wage-worker does not work four or six hours, producing the equivalent of his own subsistence, and then go home and enjoy himself. On the contrary, he works eight or nine or ten hours, and sometimes considerably more. He must do this, or he gets no chance to work at all. The capitalist owns the factory, and controls the opportunities of employment; and the capitalist is not in business simply for the purpose of allowing his employees to get their living. His motive in allowing production to go on is not the workers' maintenance by their own labor, but his own maintenance by their labor. His motive is profit.

“Let us say the average cost of a day's subsistence for the workers, according to the existing standard of living, is the product of five hours' social labor, and that this is represented in money by \$1. Wages, then, are \$1 a day. But the workers perform ten hours of labor daily. Here are 1000 such workers in a factory. They use up daily \$1000 worth of raw material. They wear out the plant to the extent of \$100 a day in so doing. They use up \$1000 worth

of labor-power in the process, and get that value back in wages, \$1000. According to our suppositions, the gross value of the day's product will be \$3100. Selling the product at its value, the employer will get \$3100 for it.

"Now the whole of this product belongs to the capitalist, for the very good reason that all the elements that entered into its production — materials, machinery, labor-power — belonged to him, he having paid for them.

"Out of that gross product of \$3100, the capitalist must pay \$1000 for the materials used up, \$100 for repairs and replacement of the machinery, and \$1000 for wages, for labor-power bought and used up — \$2100 in all. There remains to him \$1000, the excess of the normal product of 1000 days of labor over the value of 1000 days of labor-power, the excess of the amount of value produced by 1000 men in 10 hours over the amount of value necessary for their sustenance for a day."

From the surplus of the laborers' product over their necessary cost of subsistence, the capitalists derive their income. This is the Marxian theory of surplus-value in a nutshell. Rent, interest, and profit, the three great divisions of capitalist income into which this surplus-value is divided, are thus traced back to the fundamental exploitation of labor. Other economists, both before and since Marx, have

tried to explain the source of capitalist income in very different ways. An early theory was that profit originates in exchange, through "buying cheap and selling dear." That this is so in the case of individual traders is obvious. If A sells to B commodities above their value, or buys commodities from him below their value, it is plain that he gains by it. But it is equally plain that B loses. If one group of capitalists loses and another group gains, the gains and losses must balance each other; there can be no gain to the capitalist class as a whole. Yet that is precisely what occurs — the capitalist class as a whole *does* gain, and gain enormously, despite the losses of individual members of that class. It is that gain to the great body of capitalists, that general increase in their wealth, which must be accounted for, and which exchange cannot explain. Only when we think of the capitalist class buying labor-power from outside its own ranks, generally at its natural value, and using it, is the problem solved. The commodity, labor-power, which the capitalist buys creates a value greater than its own in being used up.

The theory that profit is the wages of risk is answerable in substantially the same way. It does not in any way explain the increase in the aggregate wealth of the capitalist class to say that the individual capitalist must have a chance to receive interest upon his money in order to induce him to turn it into

capital, to hazard losing it wholly or in part. While the theory of risk helps to explain some features of capitalism, the changes in the flow of capital into certain forms of investment, and, to a small extent, the commercial crises incidental thereto, it does not explain the vital problem of the source of capitalist income. The chances of gain as a premium for the risks involved, explain satisfactorily enough the action of the gambler when he enters into a game of roulette or faro. It cannot be said, however, that the aggregate wealth of the gamblers is increased by playing roulette or faro. Then, too, the risks of the laborers are vastly more vital than those of the capitalist. Yet the premium for their risks of health and life itself does not appear, unless, indeed, it be in their wages, in which case the most superficial glance at our industrial statistics will show that wages are by no means highest in those occupations where the risks are greatest. Further, the wages of the risks for capitalists and laborers alike are drawn from the same source, the product of the laborers' toil.

To consider, even briefly, all the varied theories of surplus-value other than that which arises out of the labor theory of value, would be a prolonged, dull, and profitless task. The theory of the reward of abstinence, that profit is the due and just reward of the capitalist for saving part of his wealth and using it as a means of production, is answerable by *a priori*

arguments and by a vast volume of facts. Abstinence obviously produces nothing; it can only save the wealth already produced by labor, and no automatic increase of that stored wealth is possible. If saved-up wealth is to increase without the labor of its owner, it can only be through the exploitation of the labor of others, so that the abstinence theory ultimately proves the Marxist position. On the other hand, we see that those whose wealth increases most rapidly are not given to frugality or abstinence by any means. It is certainly possible for an individual by practicing frugality and abstinence to save enough to enable him to invest in some profitable enterprise, but the origin of his profit is not his abstinence. That comes from the value created by human labor-power over and above its cost of production.

Still less satisfactory is the idea that surplus-value is nothing more than the "wages of superintendence," or the "rent of ability." This theory has been advocated with much specious argument. Essentially it involves the contention that there is no distinction between wages and profits, or between capitalists and laborers; that the capitalist is a worker, and his profits simply wages for his useful and highly important work of directing industry. It is a bold theory with a very small basis of fact. Whoever honestly considers it, must see that it is absurd and untrue. Not only is the larger part of industry

managed to-day by salaried employees who have no part, or only a small part, in the ownership of the concerns they manage, but the profits are distributed among shareholders who have never contributed service of any kind to the industries in which they are shareholders. Whatever services are performed even by the figurehead, "dummy" directors of companies, are paid for before profits are considered at all. As Mr. Algernon Lee says:—

"The profits produced in many American mills, factories, mines, and railway systems go in part to Englishmen or Belgians or Germans who never set foot in America and who obviously can have no share in even the mental labor of direction. A certificate of stock may belong to a child, to a maniac, to an imbecile, to a prisoner behind the bars, and it draws profit for its owner just the same. Stocks and bonds may lie for months or years in a safe-deposit vault, while an estate is being disputed, before their ownership is determined; but whoever is declared to be the owner gets the dividends and interest "earned" during all that time." ¹

Finally, it is not claimed that the whole of the surplus-value produced in any enterprise is appropriated by the direct employer. This happens but rarely, when the individual employer is the owner of all the capital used in the enterprise. As a rule,

¹ *The Worker*, February 5, 1905.

the employer has to pay rent for the buildings and the land he uses, and interest upon borrowed money, mortgages, and so on. These payments must come out of the surplus-value extracted from the labor of the wage-workers employed. How the surplus-value which they produce is divided among landlords, moneylenders, creditors, speculators, and actual employers is a matter of absolutely no moment or interest to the workers as a class. That is why such movements as the followers of Mr. Henry George represent fail to vitally interest the working class.¹ The division of the surplus-value wrung from the workers' toil gives rise to much quarrel and strife within the capitalist class, but the working class recognizes, and vaguely feels where it does not clearly recognize, that it has no interest in these quarrels. All that interests it vitally is how to lessen the extent of the exploitation to which it is subjected, and how ultimately to end that exploitation altogether. Organization along lines of trade unionism can do something, but very little, to lessen the extent of the exploitation; the socialization of the means of production and exchange alone can end it.

¹ It is worthy of note that the taxation of land values, commonly associated with the name of Henry George, was advocated in the *Communist Manifesto*.

CHAPTER IX

OUTLINES OF THE SOCIALIST STATE

I

It would be absurd, and contrary to Socialist principles, to attempt to give detailed specifications of the Socialist state. There are, however, certain fundamental principles which are essential to its existence. Without them, Socialist society is impossible. If we can take these principles and correlate them, we shall obtain a suggestive outline of the Socialist state. So far we may safely proceed with full scientific sanction; beyond are the realms of fancy and dreams, the Elysian fields of Utopia.

Society consists of an aggregation of individuals, but it is something more than that; it is an organism, though as yet an imperfectly developed one. While the units of which it is composed have distinct and independent lives within certain limits, they are, outside of those limits, interdependent and inter-related. Man is governed by two great forces. On the one hand, he is essentially an egoist, ever striving

*P. Ross. Foundations of Sociology,
Ch. on Social Forces*

to individual freedom; on the other hand, he is a social animal, ever seeking association and avoiding isolation. This duality expresses itself in the composition of society. There is a struggle between its members motivated by the desire for individual expansion; and, alongside of it, a sense of solidarity, a movement to mutual, reciprocal relations, motivated by the gregarious instinct. All social life is necessarily an oscillation between these two motives. The social problem in its last analysis is nothing more than the problem of combining and harmonizing social and individual interests and actions springing therefrom.

In dealing with this social problem, the problem of how to secure harmony of social and individual interests and actions, it is necessary first of all to recognize that both the motives named are equally important and necessary agents of human progress. The idea largely prevails that Socialists ignore the individual motive and consider only the social motive, just as the ultra-individualists have erred in an opposite discrimination. The Socialist state has been conceived as a great bureaucracy. Mr. Anstey gave humorous and vivid expression to this idea in *Punch* some years ago, when he represented the citizens of the Socialist state as being all clothed alike, known only by numbers, living in barracks, strangers to all the joys of family life, plodding through their allotted

tasks under a race of hated bureaucrats, and having the solace of chewing gum in their leisure time as a specially paternal provision. Some such mental picture must have inspired Herbert Spencer's *Coming Slavery*, and it must be confessed that the early forms of Socialist propaganda by pictures of imaginary coöperative commonwealths afforded some excuse for the idea. Most intelligent Socialists, if called upon to choose between them, would probably prefer to live in Thibet under a personal despotism, rather than under the rule of the hierarchies of some of these imaginary commonwealths which Utopian Socialists have depicted.

The Socialist ideal may be said to be a form of social organization in which every individual will enjoy the greatest possible amount of freedom for self-development and expression; and in which social authority will be reduced to the minimum necessary for the preservation and insurance of that right to all individuals. There is an incontestable right of the individual to full and free self-development and expression. It is not, however, an *absolute* right, but is subject to such restrictions as may be necessary to safeguard the like right of another individual, or of society as a whole. *Absolute* personal liberty is not possible: to grant it to one individual would be equivalent to denying it to others. If, in a certain community, a need is commonly felt for a system of

drainage to save the citizens from the perils of a possible outbreak of typhoid or some other epidemic disease, and all the citizens agree upon a scheme except two or three, who, in the name of personal liberty, declare that their property must not be touched, what is to be done? If the citizens, out of solicitude for the personal liberty of the objecting individuals, abandon or modify their plans, is it not clear that the liberty of the many has been sacrificed to the liberty of the few, which is the essence of tyranny? Absolute individual liberty is incompatible with social liberty. The liberty of each must, in Mill's phrase, be bounded by the like liberty of all. Absolute personal liberty is a chimera, a delusion.

The dual forces which serve as the motives of individual and collective action, spring, unquestionably, from the fact that individuals are at once alike and unlike, equal and unequal. Alike in our needs of certain fundamental necessities, such as food, clothing, shelter, coöperation for producing these necessities, for protection from foes, human and other, we are unlike in tastes, temperament, character, will, and so on, till our diversity becomes as great and as general as our likeness. Now, the problem is to insure equal opportunities of full development to all these diversely constituted and endowed individuals, and, at the same time, to maintain the principle of equal obligations to society on the part of every in-

dividual. This is the problem of social justice: to insure to each the same social opportunities, to secure from each a recognition of the same obligations toward all. The basic principle of the Socialist state must be justice; no privileges or favors can be extended to any individuals or groups of individuals.

End of
State

II

Politically, the organization of the Socialist state must be democratic. Socialism without democracy is as impossible as a shadow without light. The word "Socialism" is a monstrous misnomer when applied to schemes of paternalism or government ownership which lack the essential, vital principle of democracy. Justice requires that the legislative power of society rest upon universal suffrage and the political equality of all men and women, except lunatics and criminals. It is manifestly unjust to exact obedience to the laws from those who have had no share in making them and can have no share in altering them. The only exceptions to this principle are (1) minors, children not yet arrived at the age of responsibility agreed upon by the citizens; (2) lunatics and certain classes of criminals; (3) aliens, non-citizens temporarily resident in the state.

Democracy in the sense of popular self-government, the "government of the people, by the people, and for the people," of which political rhetoricians

boast, is only approximately attainable. While all can equally participate in the legislative power, all cannot participate directly in the administrative power, and it becomes necessary, therefore, to adopt the principle of delegated authority, representative government. Direct legislation by the people might be realized through the adoption of the principles of popular initiative and referendum, proportional representation, and the right of recall. Indeed, there is no apparent reason why *all* legislation, except temporary legislation as in war time, famine, plague, and such abnormal conditions, should not be directly initiated and enacted, leaving only the just and proper enforcement of the law to delegated authority. In all the programmes of Socialist parties throughout the world, the principles of popular initiative and referendum, proportional representation, and the right of recalling representatives are included at the present time; not merely as means to secure a greater degree of real democracy within the existing social system, but also, and primarily, to prepare the required political framework of democracy for the industrial commonwealth of the future.

The great political problem for such a society consists in choosing wisely the trustees of this important social function and authority, and seeing that they rightly use it for the common good, without abuse, either for the profit of themselves or their friends, and

without prejudice to any portion of society. There is no such thing as an "automatic democracy," and eternal vigilance will be the price of liberty under Socialism as it has ever been. There can be no other safeguard against the usurpation of power than the popular will and conscience ever alert upon the watch-towers.

III

With these general principles prevised, we may consider, briefly, what are the respective rights of the individual and of society. The rights of the individual may be summarized as follows: There must be perfect freedom of movement, including the right to withdraw from the domain of the government, to migrate at will to other territories; immunity from arrest, except from infringing others' rights, with compensation for improper arrest; respect of the privacy of domicile and correspondence; full liberty of dress, subject to decency; freedom of utterance, whether by speech or publication, subject only to the protection of others from insult, injury, or interference with their equal liberties. Absolute freedom of the individual in all that pertains to art, science, philosophy, and religion, and their teaching, or propaganda, is essential. The state can rightly have nothing to do with these matters; they belong to the personal life alone. Art, science, philosophy,

and religion cannot be protected by any authority, nor is such protection needed.

In this summary only certainties, imperative, essential conditions, have been included. Doubtless many Socialists would considerably extend the list of things to be totally exempted from collective authority and control. Some, for instance, would include the right of the individual to possess and bear arms for the defense of person and property. On the other hand, it might be objected with good show of reason by other Socialists that such a right must always be liable to abuses imperiling the peace of society, and that the same ends would be served more surely if individual armament were made impossible. Other Socialists would include in the category of private acts outside the sphere of law the union of the sexes. They would do away with legal intervention in marriage and make it exclusively a private concern. On the other hand, again, many Socialists, probably an overwhelming majority, would object. They would insist that the state must, in the interest of the children and for its own self-preservation, assume certain responsibilities for, and exercise a certain control over, all marriages. While believing that under Socialism marriage would no longer be subject to economic motives — matrimonial markets for titles and fortunes, no longer existing — and that the maximum

of personal freedom together with the minimum of social authority would be possible in the union of the sexes, they would still insist upon the necessity of that minimum of legal control. While, therefore, our hasty summary by no means exhausts the category of personal liberties, it is sufficiently comprehensive to show that individual freedom would by no means be crushed out of existence by the Socialist state. The intolerable bureaucracy of collectivism is wholly an imaginary evil.

In the same general manner, we may summarize the principal functions of the state¹ as follows: the state has the right and the power to organize and control the economic system, comprehending in that term the production and distribution of all social wealth wherever private enterprise is dangerous to the social well-being, or is inefficient; the defense of the community from invasion, from fire, flood, famine, or disease; the relations with other states, such as trade agreements, boundary treaties, and the like; the maintenance of order, including the juridical and police systems in all their branches; and public education in all its departments. It will be found that these five groups of functions include all the services which the state may properly undertake, and that not one of them can be safely

¹ I use the word "state" throughout in its largest, most comprehensive sense as meaning the whole political organization of society.

intrusted to private enterprise. On the other hand, it is not necessary to assume that the state must have an *absolute* monopoly of any one of these groups of functions to be performed in the social organism. It would not be necessary, for example, for the state to prohibit its citizens from entering into voluntary relations with the citizens of other countries for the promotion of friendly international relations, for trade reciprocity, and so on. Likewise the juridical functions being in the hands of the state would not prevent voluntary arbitration. Our study becomes, therefore, a study of social physiology.

The principle already postulated, that the state must undertake the production and distribution of social wealth wherever private enterprise is dangerous, or less efficient than public enterprise, clarifies somewhat the problem of the industrial organization of the Socialist régime, which is a vastly more difficult problem than that of its political organization. Socialism by no means involves the suppression of all private property and industry; only when these fail in efficiency or result in injustice and inequality of benefits does socialization present itself. There are many petty, subordinate industries, especially the making of articles of luxury, which might be allowed to remain in private hands, subject only to such general regulation as might be found necessary for the protection of health and the public

order. On the other hand, there are things, natural monopolies, which cannot be justly or efficiently used by private enterprise. Land ownership and all that depends thereon, such as mining, transportation, and the like, must of necessity be collective and universal.¹

In the Socialist state, then, certain forms of private industry will be tolerated, and perhaps even definitely encouraged, but the great fundamental economic activities will be socialized. The Socialist state will not be static and, consequently, what at first may be regarded as being properly the subject of private enterprise may develop to an extent or in directions which necessitate its transformation to the category of essentially social properties. Hence, when the Socialist state is here spoken of, it is not by any means intended to describe the full limits of socialization, the fully developed collectivist commonwealth, but rather the opposite limits, the minimum of socialization; the conditions essential to that stage of social evolution at which it will be possible to speak of capitalism as a past and out-grown stage, and of the present as the new era of Socialism.

Socialists, naturally, differ upon this point very materially. To the present writer, however, it

¹ Of course this does not mean that there must not be private use of land.

would seem sufficiently comprehensive to say that the economic structure of the new society must include at least the following: (1) Ownership of all natural resources, such as land, mines, forests, oil wells, and so on; (2) operation of all the means of transportation and communication other than those of purely personal service; (3) operation of all industrial production involving large capital and associated labor, except where carried on by voluntary, democratic coöperation; (4) organization of all labor essential to the public service, such as the building of schools, hospitals, docks, roads, bridges, sewers, and the like; the construction of all the machinery and plant requisite to the social production and distribution, and of things necessary for the maintenance of those engaged in such public services as the national defense and all who are wards of the state; (5) a monopoly of the monetary and credit functions, including coinage, banking, mortgaging, and the extension of credit to private enterprise. With these economic activities undertaken by the state, a pure democracy differing vitally from all the class-dominated states of history, private enterprise would by no means be excluded, but limited to an extent making the exploitation of public interests and needs for private gain impossible. Socialism thus becomes the defender of individual liberty, not its enemy.

IV

As owner of the earth and all the major instruments of production and exchange, society would occupy a position enabling it to see that the physical and mental benefits derived from its wealth, its natural resources, its collective experience, genius, and labor, were universalized as befits a democracy. It would be able to guarantee the right to live by labor to all its citizens through preventing the monopolization of the land and instruments and social opportunities in general. It would be in a position to make every development from competition to monopoly the occasion for further socialization. Thus there would be no danger to the state in permitting, or even fostering, private industry within the limits suggested. As the organizer of the vast body of labor essential to the operation of the main productive and distributive functions of society, and to the other public services, the state would be able to set the standard of living, alike with regard to income and leisure, which private industry would be compelled, by competitive force, to observe. The regulation of production, too, would be possible, and as a result the crises arising from glutted markets would disappear. Finally, in the control of all the functions of credit, the state would effectually prevent the exploitation

of the mass of the people through financial agencies, which is perhaps the greatest evil of our present social system.

The application of the principles of democracy to the organization and administration of these great economic services of production, exchange, and credit is a problem full of alluring possibilities of speculation. "This that they call the Organization of Labor," said Carlyle, "is the Universal Vital Problem of the World." It is the great central problem of the socialization of industry and the state, before which all other problems pale into insignificance. It is comparatively easy to picture an ideal political democracy, and the main structural economic organization of the Socialist régime, with its private and public functions more or less clearly defined, is not very difficult of conception. These are foreshadowed with varying degrees of distinctness in present society, and the light of experience illumines the pathway before us. It is when we come to the question of the *spirit* of the economic organization of the future, the methods of direction and management, that the light fails and we must grope our way into the great unknown with imagination and our sense of justice for guides.

Most Socialist writers who have attempted to deal with this subject have simply regarded the state as the greatest employer of labor, carrying on its busi-

ness upon methods not materially different from those adopted by the great industrial corporations of to-day. Boards of experts, chosen by civil service methods, directing all the economic activities of the state, such is their general conception of the industrial democracy of the Socialist régime. They believe, in other words, that the methods now employed by the capitalist state, and by individuals within the capitalist state, would simply be extended under the Socialist régime. If this be so, a psychological anomaly appears in the practical abandonment of the claim that, as a result of the class conflict in society, the public ownership evolved within the capitalist state is essentially inferior to the public ownership of the Socialist ideal. It is perfectly clear that if the industrial organization under Socialism is to be such that the workers employed in any industry have no more voice in its management than the postal employees in this country have at the present time, it cannot be otherwise than absurd to speak of it as an industrial democracy.

Here, in truth, lies the crux of the greatest problem of all. We must face the fact that, in anything worthy of the name of an industrial democracy, the terms and conditions of employment cannot be decided wholly without regard to the will of the workers themselves on the one hand, nor, on the other hand, by the workers alone without reference

to the general body of the citizenry. If the former method fails to satisfy the requirements of democracy by ignoring the will of the workers in the organization of industry, the alternative method involves a hierarchical government, equally incompatible with democracy. Some way must be found by which the industrial government of society, the organization of production and distribution, may be securely based upon the dual basis of common civic rights and the rights of the workers in their special relations as such.

In actual practice to-day, in those industries in which the organization of the workers into unions has been most successful, the workers, through their organizations, do exercise a certain amount of control over the conditions of their employment. They make trade agreements, for instance, in which such matters as wages, hours of labor, apprenticeship, output, engagement and discharge of workers, and numerous other matters of a like nature, are made subject to the joint control of the employers and the workers. Of course, this share in the control of the industry in which they are employed is a right enjoyed only as the fruit of conquest, won by war and maintained only by ceaseless vigilance and armed strength. It is not inconceivable, however, that in the Socialist state there might be a frank extension of this principle. The workers in the main groups

of industries might form autonomous organizations for the administration of their special interests, subject only to certain fundamental laws of society and its government. Thus, the trades unions would become administrative politico-economic organizations, after the manner of the mediæval guilds, instead of mere agencies of class warfare as at present.

The economic organization of the Socialist state would consist, then, of three distinct forms, as follows: (1) Private production and exchange, subject only to such general supervision and control by the state as the interests of society demand, such as protection against monopolization, sanitary laws, and the like; (2) voluntary coöperation, subject to similar supervision and control; (3) production and exchange by the state, the administration to be by the autonomous organizations of the workers in industrial groups, subject to the fundamental laws and government of society as a whole.

V

Two other functions of the economic organization of society remain to be considered, the distribution of labor and its remuneration. In the organization of industry society will have to achieve a twofold result, a maximum of general, social efficiency, on the one hand, and of personal liberty and comfort to the workers on the other. The state would not

only guarantee the right to labor, but, as a corollary, it would impose the duty of labor upon every competent person. The Pauline injunction, "If any man will not work, neither shall he eat," would be applied in the Socialist state to all except the incompetent to labor. The immature child, the aged, the sick and infirm members of society, would alone be exempted from labor. The result of this would be that instead of a large unemployed army, vainly seeking the right to work, on the one hand, accompanied by the excessive overwork of the great mass of the workers fortunate enough to be employed, a vast increase in the number of producers from this one cause alone would make possible much greater leisure for the whole body of workers. Benjamin Franklin estimated that in his day four hours' labor from every adult male able to work would be more than sufficient to provide wealth enough for all human wants; and it is certain that, without resorting to any standards of Spartan simplicity, or denying luxury and beauty to any individual, Franklin's estimate could be easily realized with anything approaching a scientific organization of labor.

Not only would the productive forces be enormously increased by the absorption of those workers who under the present system are unemployed, and those who do not labor or seek labor; in addition to these, there would be a tremendous transference of

potential productive energy from occupations rendered obsolete and unnecessary by the socialization of society. Thus, there are to-day tens of thousands of lawyers, bankers, traders, middlemen, speculators, and others, whose functions, necessary to the capitalist system, would, in most cases, cease to have any value. They would be compelled because of this to enter the producing class. The possibilities of the scientific organization of industry are almost unlimited. Every gain made by the state in the direction of economy of production would test the private enterprise existing and urge it on in the same direction. Likewise, every gain made by the private producers would test the social production and urge it onward. Whether socialized production extended its sphere, or remained confined to its minimum limitations, would depend upon the comparative success or failure resulting. The state would not be able to arbitrarily extend its functions. The decision would rest with the people, who would, naturally, resort to social effort wherever it demonstrated its ability to perform any function more efficiently than private enterprise, with greater advantages of comfort and liberty to the community and to the individual.

While in the Socialist régime labor would be compulsory, it is inconceivable that a free people would tolerate a bureaucratic rule assigning to each

individual his or her proper task, no matter how ingenious the system of assignment might be. Just as it is necessary to insist that all must be secured in their right to labor, and required to labor, it is necessary also that the choice of one's occupation should be as far as possible personal and free, subject only to the laws of supply and demand. The greatest amount of personal freedom compatible with the requisite efficiency would be secured to the workers in their chosen occupations through their craft organizations.

But, it will be objected, all occupations are not equally desirable. There are certain forms of work which, disagreeable in themselves, are just as essential to the well-being of society as the most artistic and pleasing. Who will do the dirty work, the hard work, the dangerous work, under Socialism? Will these occupations also be left to choice, and, if so, will there not be an insurmountable difficulty arising from the natural reluctance of men to choose such work?

VI

In affirming the principle of free choice the Socialist is called upon to show that the absence of compulsion would not involve the neglect of these disagreeable, but highly important, social services; that it would be compatible with social safety to

leave them to personal choice. In the first place, much of this kind of work that is now performed by human labor could be more efficiently done by mechanical means. Much of the work done by sweated women and children in our cities is in fact done in competition with machines. Machinery has been invented, and is now available, to do thousands of the disagreeable and hurtful things now being done by human beings. Professor Franklin H. Giddings is perfectly right when he says: "Modern civilization does not require, it does not need, the drudgery of needlewomen or the crushing toil of men in a score of life-destroying occupations. If these wretched beings should drop out of existence and no others take their places, the economic activities of the world would not greatly suffer. A thousand devices latent in inventive brains would quickly make good any momentary loss."¹

When, in England, a law was passed forbidding the practice of forcing little boys through chimneys, to clean them, chimneys did not cease to be swept. Other, less disagreeable and less dangerous, means were quickly invented. When the woolen manufacturers were prevented from employing little boys and girls, they invented the piecing machine.² Thou-

¹ "Ethics of Social Progress," by Professor Franklin H. Giddings in *Philanthropy and Social Progress* (1893), page 226.

² "The Economics of Factory Legislation," in *The Case for the Factory Acts*, edited by Mrs. Sidney Webb, page 50.

sands of instances might be compiled to support the contention of Professor Giddings, equally as pertinent as these. Another important point is that the amount of such disagreeable and dangerous work to be done would be very much less than now. That would certainly result from the scientific organization of industry. I suspect that, if the subject could be properly investigated, it could be shown that the amount of such labor involved in wasteful and unnecessary advertising alone is enormous.

Still, with all possible reduction of the quantity of such work to be done, and with all the mechanical genius possible, it may be freely conceded that there would be some work quite dangerous, altogether disagreeable and repellent, and a great difference in the degree of attractiveness in some occupations as compared with others. But an occupation repellent in itself might be made attractive, if the hours of labor were relatively few as compared with other occupations. If six hours be regarded as the normal working day, it is quite easy to believe that, for sake of the larger leisure, with its opportunities for the pursuit of special interests, many a man would gladly accept a disagreeable position for three hours a day. The same holds true of superior remuneration. Under the Socialist régime, just as to-day, many a man would gladly exchange his work

for less pleasant work, if the remuneration offered were higher. To the old Utopian ideas of absolute equality and uniformity these methods would be fatal, but they are not at all incompatible with modern, scientific Socialism. Finally, we must not forget that there is a natural inequality of talent, of power. In any state of society most men will prefer to do the things they are best fitted for, the things they can do easiest and best. And the man who feels himself best fitted to be a hewer of wood or drawer of water will choose that rather than some loftier task. There is no reason at all to suppose that leaving the choice of occupation to the individual would involve the slightest risk to society.

That equality of remuneration is not an essential condition of the Socialist régime, we have already seen. It may be freely admitted, however, that the ideal to be aimed at, ultimately, must be *approximate* equality of income. Otherwise, class formations must take place and the old problems incidental to economic inequality reappear. With such an industrial democracy as I have suggested as being essential to the Socialist state, there is little doubt that this result would be gradually attained. Let us consider briefly now the method of the remuneration of labor.

Socialists are too often judged by their shibboleths rather than by the principles which those shibbo-

leths imperfectly express, or seek to express. Declaiming, rightly, against the wages system as a form of slave labor, the "abolition of wage slavery" forever inscribed on their banners, the average man is forced to the conclusion that the Socialists are working for a system in which the workers will divide their actual products and then barter the surplus for the surplus products of other workers. Either that, or the most rigid system of governmental production and a method of distributing rations and uniforms similar to that which obtains in the military organization of present-day governments. It is easily seen, however, that such plans do not, on the one hand, conform to the democratic ideal of the Socialists, nor would either of them, on the other hand, be compatible with the wide personal liberty herein put forward as characteristic of the Socialist state.

The earlier Utopian Socialists did propose to do away with wages; in fact, they proposed to abolish money altogether, and invented various forms of "Labor Notes" as a means of giving equality of remuneration for given quantities of labor, and providing a medium for the exchange of wealth. But when the Socialists of to-day speak of the "abolition of wages," or of the wages system, they use the words in the same sense as they speak of the abolition of capital; *they would abolish only the social*

relations implied in the terms. Just as they do not mean by the abolition of capital the destruction of the machinery and implements of production, but the social relation in which they are used to create profit for the few; so, when they speak of the abolition of the wages system, they mean only the use of wages to exploit the producers for the gain of the owners of the means of production and exchange. Though the name "wages" might not be changed, a money payment for labor in a democratic arrangement of industry, representing an approximation to the full value of the labor, minus only its share of the cost of maintaining the social services, and the weaker, dependent members of society, is vastly different from a money payment for labor by one individual to other individuals, representing an approximation to their cost of living, bearing no relation to the value of the labor products, and paid in lieu of those products with a view to the gathering of a rich surplus by the payer.

Karl Kautsky, perhaps the greatest living exponent of the theories of modern Socialism, has made this point perfectly clear. He accepts without reserve the belief that wages, unequal and paid in money, will be the method of remuneration for labor in the Socialist régime. When too many laborers rush into certain branches of industry, the natural way to lessen their number and to increase the number

of laborers in other branches where there is need for them, will be to reduce wages in the one and to increase them in the other. Socialism, instead of being defined as an attempt to make men equal, might perhaps be more justly and accurately defined as a social system based upon the natural inequalities of mankind. Not human equality, but equality of opportunity to prevent the creation of artificial inequalities by privilege is the essence of Socialism.

What, it may be asked, will society do to prevent the hoarding of wealth on the one hand, and the exploitation of the spendthrift by the abstinent? Here, as throughout this discussion, we must be careful to avoid the appearance of laying down dogmatic rules, giving categorical replies to questions which the future will answer in its own way. At best we can only speculate as to what possible answers to such questions are compatible with the fundamental principles of Socialism. Thus we may safely answer that in the Socialist régime society will not attempt to dictate to the individual how he shall spend his income. If Jones prefers *objects d'art* and Smith prefers fast horses or a steam yacht, each will be free to follow his inclinations so far as his resources will permit. If, on the contrary, one should prefer to hoard his wealth, he would be free to do so. The inheritance of such accumulated property would, however, necessarily be denied, society being the

only possible inheritor of property. In this way, full play for individual liberty would be coupled with full security for society. There would be no danger of a ruling class as a result of natural inequalities.

With such conditions as these, it is not difficult to suppose that the tendency to hoard wealth would largely disappear. In the same way, we must regard the possibilities of the exploitation of man by man developing in the Socialist state, through the wastefulness and improvidence of the one and the frugality, abstinence, and cunning of the other, as slight. With the credit functions entirely in the hands of the state, the improvident man would be able to obtain credit upon the same securities as from a private creditor, without undue exploitation. Society would further secure itself against the weakness and failure of the improvident by insuring all its members against sickness, accident, and old age.

VII

The administration of justice is necessarily a social function in a democratic society. All juridical functions should be socialized in the strict sense of being maintained at the social expense for the free service of the citizens. Court fees, advocates' charges, and other like expenses incidental to the administration of justice in present society, are all anti-democratic and subversive of justice.

Finally, education is likewise a social necessity which society itself must assume responsibility for. We have discovered that for self-protection society must insist upon a certain minimum of education for every child able to receive it; that it is too vital a matter to be left to the option of parents or the desires of the immature child. We have made a certain minimum of education compulsory and free; the Socialist state would make a minimum — probably larger than our present minimum — compulsory, but it would also make *all* education free. From the first stages, in the kindergartens, to the last, in the universities, education must be wholly free. So long as a single bar exists to prevent any child from receiving all the education it is capable of profiting by, democracy is unattained.

Whether the Socialist régime could tolerate the existence of elementary schools other than its own, such as privately conducted kindergartens and schools, religious schools, and so on, is questionable. Probably not. It would probably not content itself with refusing to permit religious doctrines or ideas to be taught in its schools, but would go further, and, as the natural protector of the child, guard its independence of thought in later life as far as possible by forbidding religious teaching of any kind in schools for children up to a certain age. Beyond that age, religious education, in all other than the

public schools, would be freely permitted. This restriction of religious education to the years of judgment and discretion implies no hostility to religion on the part of the state, but neutrality. Not the least important of the rights of the child is the right to be protected from influences which bias the mind and destroy the possibilities of independent judgment in later life, or make it attainable only as a result of bitter, needless, tragic experience.

In this brief suggested outline of the Socialist state, the aim has been to show that the Socialist ideal is far from being the network of laws commonly imagined, or the mechanical arrangement of human relations devised by Utopian romancers. If the Socialist propaganda of to-day largely consists of the advocacy of laws, it must be remembered that these are to *ameliorate conditions in the existing social system*. The Socialist ideal of the state of the future is not a life completely enmeshed in a network of government, but a life controlled by government as little as possible — a maximum of personal freedom with a minimum of restraint.

“These things shall be! A loftier race
Than e’er the world hath known shall rise
With flower of freedom in their souls
And light of science in their eyes.”¹

¹ J. Addington Symonds.



APPENDIX

NATIONAL PLATFORM OF THE SOCIALIST PARTY OF AMERICA

ADOPTED BY THE CHICAGO CONVENTION, MAY 8, 1904

I

THE Socialist Party, in convention assembled, makes its appeal to the American people as the defender and preserver of the idea of liberty and self-government in which the nation was born; as the only political movement standing for the programme and principles by which the liberty of the individual may become a fact; as the only political organization that is democratic, and that has for its purpose the democratizing of the whole of society.

To this idea of liberty the Republican and Democratic parties are equally false. They alike struggle for power to maintain and profit by an industrial system which can be preserved only by the complete overthrow of such liberties as we already have, and by the still further enslavement and degradation of labor.

Our American institutions came into the world in the name of freedom. They have been seized upon by the capitalist class as the means of rooting out the idea of freedom from among the people. Our state and national legislatures have become the mere agencies of great propertied interests. These interests control the appointments and decisions of the judges of our courts. They have come into what is practically a private ownership of all the functions and forces of government. They are using these to betray and conquer foreign and weaker peoples, in order to establish new markets for the surplus goods which the people make, but are too poor to buy. They are gradually so invading and restricting the right of suffrage as to take away unawares the right of the worker to a vote or voice in public affairs. By enacting new and misinterpreting old laws, they are preparing to attack the liberty of the individual even to speak or think for himself, or for the common good.

By controlling all the sources of social revenue, the possessing class is able to silence what might be the voice of protest against the passing of liberty and the coming of tyranny. It completely controls the university and public school, the pulpit and the press, and the arts and literatures. By making these economically dependent upon itself, it has brought all the forms of public teaching into servile submission to its own interests.

Our political institutions are also being used as the destroyers of that individual property upon which all liberty and opportunity depend. The promise of economic independence to each man was one of the faiths upon which our institutions were founded. But, under the guise of defending private property, capitalism is using our political institutions to make it impossible for the vast majority of human beings ever to become possessors of private property in the means of life.

Capitalism is the enemy and destroyer of essential private property. Its development is through the legalized confiscation of all that the labor of the working class produces, above its subsistence-wage. The private ownership of the means of employment grounds society in an economic slavery which renders intellectual and political tyranny inevitable.

Socialism comes so to organize industry and society that every individual shall be secure in that private property in the means of life upon which his liberty of being, thought, and action depends. It comes to rescue the people from the fast-increasing and successful assault of capitalism upon the liberty of the individual.

II

As an American Socialist Party, we pledge our fidelity to the principles of international Socialism,

as embodied in the united thought and action of the Socialists of all nations. In the industrial development already accomplished, the interests of the world's workers are separated by no national boundaries. The condition of the most exploited and oppressed workers, in the most remote places of the earth, inevitably tends to drag down all the workers of the world to the same level. The tendency of the competitive wage system is to make labor's lowest condition the measure or rule of its universal condition. Industry and finance are no longer national but international, in both organization and results. The chief significance of national boundaries, and of the so-called patriotisms which the ruling class of each nation is seeking to revive, is the power which these give to capitalism to keep the workers of the world from uniting, and to throw them against each other in the struggles of contending capitalist interests for the control of the yet unexploited markets of the world, or the remaining sources of profit.

The Socialist movement, therefore, is a world-movement. It knows of no conflicts of interests between the workers of one nation and the workers of another. It stands for the freedom of the workers of all nations; and, in so standing, it makes for the full freedom of all humanity.

III

• The Socialist movement owes its birth and growth to that economic development or world-process which is rapidly separating a working or producing class from a possessing or capitalist class. The class that produces nothing possesses labor's fruits, and the opportunities and enjoyments these fruits afford, while the class that does the world's real work has increasing economic uncertainty, and physical and intellectual misery, for its portion.

The fact that these two classes have not yet become fully conscious of their distinction from each other, the fact that the lines of division and interest may not yet be clearly drawn, does not change the fact of the class conflict.

This class struggle is due to the private ownership of the means of employment, or the tools of production. Wherever and whenever man owned his own land and tools, and by them produced only the things which he used, economic independence was possible. But production, or the making of goods, has long ceased to be individual. The labor of scores, or even thousands, enters into almost every article produced. Production is now social or collective. Practically everything is made or done by many men — sometimes separated by seas or continents — working together for the same end. But this

coöperation in production is not for the direct use of the things made by the workers who make them, but for the profit of the owners of the tools and means of production; and to this is due the present division of society into two classes; and from it have sprung all the miseries, inharmonies, and contradictions of our civilization.

Between these two classes there can be no possible compromise or identity of interests, any more than there can be peace in the midst of war, or light in the midst of darkness. A society based upon this class division carries in itself the seeds of its own destruction. Such a society is founded in fundamental injustice. There can be no possible basis for social peace, for individual freedom, for mental and moral harmony, except in the conscious and complete triumph of the working class as the only class that has the right or power to be.

IV

The Socialist programme is not a theory imposed upon society for its acceptance or rejection. It is but the interpretation of what is, sooner or later, inevitable. Capitalism is already struggling to its destruction. It is no longer competent to organize or administer the work of the world, or even to preserve itself. The captains of industry are appalled at their own inability to control or direct the rapidly socializing

forces of industry. The so-called trust is but a sign and form of the developing socialization of the world's work. The universal increase of the uncertainty of employment, the universal capitalist determination to break down the unity of labor in the trades unions, the widespread apprehensions of impending change, reveal that the institutions of capitalist society are passing under the power of inhering forces that will soon destroy them.

Into the midst of the strain and crisis of civilization, the Socialist movement comes as the only conservative force. If the world is to be saved from chaos, from universal disorder and misery, it must be by the union of the workers of all nations in the Socialist movement. The Socialist Party comes with the only proposition or programme for intelligently and deliberately organizing the nation for the common good of all its citizens. It is the first time that the mind of man has ever been directed toward the conscious organization of society.

Socialism means that all those things upon which the people in common depend shall by the people in common be owned and administered. It means that the tools of employment shall belong to their creators and users; that all production shall be for the direct use of the producers; that the making of goods for profit shall come to an end; that we shall all be workers together; and that all opportunities shall be open and equal to all men.

V

To the end that the workers may seize every possible advantage that may strengthen them to gain complete control of the powers of government, and thereby the sooner establish the coöperative commonwealth, the Socialist Party pledges itself to watch and work, in both the economic and the political struggle, for each successive immediate interest of the working class ; for shortened days of labor and increases of wages ; for the insurance of the workers against accident, sickness, and lack of employment ; for pensions for aged and exhausted workers ; for the public ownership of the means of transportation, communication, and exchange ; for the graduated taxation of incomes, inheritances, franchises, and land values, the proceeds to be applied to the public employment and improvement of the conditions of the workers ; for the complete education of children, and their freedom from the workshop ; for the prevention of the use of the military against labor in the settlement of strikes ; for the free administration of justice ; for popular government, including initiative, referendum, proportional representation, equal suffrage of men and women, municipal home rule, and the recall of officers by their constituents ; and for every gain or advantage for the workers that may be wrested from the capitalist system, and that

may relieve the suffering and strengthen the hands of labor. We lay upon every man elected to any executive or legislative office the first duty of striving to procure whatever is for the workers' most immediate interest, and for whatever will lessen the economic and political powers of the capitalist, and increase the like powers of the worker.

But, in so doing, we are using these remedial measures as means to the one great end, of the co-operative commonwealth. Such measures of relief as we may be able to force from capitalism are but a preparation of the workers to seize the whole powers of government, in order that they may thereby lay hold of the whole system of industry, and thus come into their rightful inheritance.

To this end we pledge ourselves, as the party of the working class, to use all political power, as fast as it shall be intrusted to us by our fellow-workers, both for their immediate interests and for their ultimate and complete emancipation. To this end we appeal to all the workers of America, and to all who will lend their lives to the service of the workers in their struggle to gain their own, and to all who will nobly and disinterestedly give their days and energies unto the workers' cause, to cast in their lot and faith with the Socialist Party. Our appeal for the trust and suffrages of our fellow-workers is at once an appeal for their common good and freedom, and

for the freedom and blossoming of our common humanity. In pledging ourselves, and those we represent, to be faithful to the appeal which we make, we believe that we are but preparing the soil of that economic freedom from which will spring the freedom of the whole man.

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